



Control Number: 43356



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DOCKET NO. 43356

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APPLICATION OF WIEDENFELD  
WATER WORKS, INCORPORATED  
TO AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY IN  
KERR COUNTY (37858-C) §  
§  
§  
§  
§

PUBLIC UTILITY  
COMMISSION OF TEXAS  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S  
AMENDED<sup>1</sup> RECOMMENDATION ON FINAL DISPOSITION**

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files its Amended Recommendation on Final Disposition. Staff recommends that the Commission approve the application and the proposed sale and transfer transaction. In support of its Amended Recommendation on Final Disposition, Staff states the following:

**I. Background**

On February 28, 2014, Wiedenfeld Water Works, Incorporated (Wiedenfeld Water) filed with the Texas Commission on Environmental Quality (TCEQ) an application to amend its water certificate of convenience and necessity (CCN No. 12052). Wiedenfeld Water requests an amendment to its water CCN No. 12052 in order to provide water service to the Monarch Hills Subdivision, which is located in Kerr County, Texas. The Monarch Hills Subdivision consists of sixteen (16) tracts and approximately 125 acres that adjoin the service area currently certificated under water CCN No. 12052. Wiedenfeld Water proposes to serve sixteen (16) additional connections.

Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. Wiedenfeld Water's application was transferred to the Commission for processing from the TCEQ.

On June 2, 2015, Wiedenfeld Water filed with the Commission documents regarding TCEQ approval of Wiedenfeld Water's water plant and distribution system and documents regarding Wiedenfeld Water's finances.

On July 8, 2015, the Administrative Law Judge entered Order No. 7, which established

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<sup>1</sup> On August 3, 2015, Staff filed its Recommendation on Final Disposition, which included a proposed tariff. Staff inadvertently filed an incorrect proposed tariff. The attached proposed tariff is the correct tariff that should have been filed.

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July 20, 2015 as the deadline for Staff to request a hearing or file its recommendation.

## **II. Applicable Legal Standards**

The Texas Water Code details the requirements for amending a certificate of convenience and necessity. In determining whether to amend a certificate of convenience and necessity, the Commission "shall ensure that the applicant possesses the financial, managerial, and technical capability to provide continuous and adequate service."<sup>2</sup> With respect to water utility service, the Commission must ensure that the applicant:

- (1) is capable of providing drinking water that meets the requirements of Chapter 341, Health and Safety Code, and requirements of this code; and
- (2) has access to an adequate supply of water.<sup>3</sup>

Additionally, the Commission must consider the following factors in the Water Code:

- (1) the adequacy of service currently provided to the requested area;
- (2) the need for additional service in the requested area, including whether any landowners, prospective landowners, tenants, or residents have requested service;
- (3) the effect of the granting of a certificate or of an amendment on the recipient of the certificate or amendment, on the landowners in the area, and on any retail public utility of the same kind already serving the proximate area;
- (4) the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking into consideration the current and projected density and land use of the area;
- (5) the feasibility of obtaining service from an adjacent retail public utility;
- (6) the financial ability of the applicant to pay for the facilities necessary to provide continuous and adequate service and the financial stability of the applicant, including, if applicable, the adequacy of the applicant's debt-equity ratio;
- (7) environmental integrity;
- (8) the probable improvement of service or lowering of cost to consumers in

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<sup>2</sup> Tex. Water Code § 13.241(a).

<sup>3</sup> Tex. Water Code § 13.241(b)(1)-(2).

that area resulting from the granting of the certificate or amendment; and

(9) the effect on the land to be included in the certificated area.<sup>4</sup>

The Commission's substantive rules have substantially similar requirements.<sup>5</sup>

### **III. Staff's Recommendation**

Staff recommends that the Commission approve Wiedenfeld Water's application and the requested amendment of water CCN No. 12052. Wiedenfeld Water has the financial, managerial, and technical capability to provide continuous and adequate service to the Monarch Hills Subdivision in Kerr County, Texas. Attached to this Recommendation on Final Disposition are: (1) Staff's proposed revision to Wiedenfeld Water's water CCN No. 12052; (2) Staff's proposed revision to the map of the area certificated under water CCN No. 12052; (3) and Staff's proposed tariff applicable to the Monarch Hills Subdivision. Staff's recommendation on Wiedenfeld Water's application is based on the attached memorandum of Leila Guerrero in the Water Utility Division.

#### **A. Wiedenfeld Water has adequate financial, managerial, and technical capability**

Staff has determined that Wiedenfeld Water has adequate financial, managerial, and technical capability to provide continuous and adequate service to proposed service area in Kerr County, Texas. With regards to financial capability, Wiedenfeld Water had long-term liabilities in the amount of \$61,200 and equity in the amount of \$71,900 for the current year. The debt to equity ratio for the current year is 0.85 to 1.00. A ratio of less than 1 to 1 is preferred because this ensures that there are reserve funds for the payment of debt and for payment of any repairs and maintenance to the water system. Wiedenfeld Water reported net income for the current year as \$20,500, a depreciation expense of \$7,500, and principal and interest payments of \$16,000. The debt service coverage ratio is therefore 1.75 to 1. A debt service coverage ratio of at least 1.25 to 1 is preferred because it ensures that there are sufficient reserve funds for the payment of debt and the payment for repairs and maintenance to the water system. With regards to managerial and

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<sup>4</sup> Tex. Water Code § 13.246(c).

<sup>5</sup> See generally 16 Tex. Admin. Code § 24.102(a)(1)-(2), (d).

technical capability, Wiedenfeld Water owns thirteen (13) TCEQ-approved water systems that provide water service to 825 water customers. Wiedenfeld Water's water systems are capable of providing drinking water in compliance with the Texas Health and Safety Code and other applicable regulations. Wiedenfeld Water is served by the Westwood Water System, which is currently operating at greater than the maximum standard capacity of 85%. However, Wiedenfeld Water also intends to expand the Westwood Water System. Wiedenfeld Water has received TCEQ approval for this expansion. Once completed, the expansion of the Westwood Water System will solve the current issues regarding capacity.

**B. Wiedenfeld Water is capable of providing adequate and continuous service**

Staff has determined that Wiedenfeld Water is capable of providing continuous and adequate service to the certificated area under water CCN No. 12052. Staff's determination is based on the following factors listed in Tex. Water Code § 13.246(c):

1. Adequacy of service currently provided to the proposed area. To date, no service has been extended to the proposed area.
2. Need for service in the proposed area. There is a need for service in the proposed area because there is currently no retail water service provider in the proposed area.
3. The effect of granting an amendment to water CCN No. 12052. Wiedenfeld Water's water CCN 12052 will be amended to include the proposed area.
4. The ability of Wiedenfeld Water to provide adequate service. Wiedenfeld Water is a water utility that currently provides water service to 825 water customers.
5. The feasibility of obtaining water service from an adjacent retail public utility. Staff did not evaluate this factor.
6. The financial ability for Wiedenfeld Water to pay for facilities necessary to provide continuous and adequate service. While Wiedenfeld Water's water systems do not have any outstanding violations and do not require any major capital improvements or repairs, Wiedenfeld Water has reserved \$40,000 in the event that such improvements or repairs are necessary.
7. Impact on environmental integrity. There will be no impact on environmental integrity because there is a pre-existing water system in place.
8. Improvement of service or lower of cost to customers. Future customers will be charged Commission-approved rates as referenced in the attached water tariff.

9. Effect on land. There will be no impact on environmental integrity because there is a pre-existing water system in place.

#### **IV. Conclusion**


Staff recommends that the Commission approve Wiedenfeld Water's application and the requested amendment of water CCN No. 12052. Wiedenfeld Water has the financial, managerial, and technical capability to provide continuous and adequate service to the proposed service area in Kerr County, Texas.

Date: August 4, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Shelah J. Cisneros  
Managing Attorney  
Legal Division

  
\_\_\_\_\_  
Sam Chang  
State Bar No. 24078333  
Attorney, Legal Division

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P.O. Box 13326  
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(512) 936-7261  
(512) 936-7268 (facsimile)  
sam.chang@puc.texas.gov

**DOCKET NO. 43356**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on August 4, 2015, in accordance with 16 TAC § 22.74.



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Sam Chang

**DOCKET NO. 43356**

<b>APPLICATION OF WIEDENFELD</b>	<b>§</b>	<b>PUBLIC UTILITY</b>
<b>WATER WORKS, INCORPORATED</b>	<b>§</b>	
<b>TO AMEND A CERTIFICATE OF</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>CONVENIENCE AND NECESSITY IN</b>	<b>§</b>	
<b>KERR COUNTY (37858-C)</b>	<b>§</b>	

**MEMORANDUM OF LEILA GUERRERO**



## *Public Utility Commission of Texas*

### Memorandum

**TO:** Sam Chang, Attorney  
Legal Division \*

**THRU:** Tammy Benter, Director  
Lisa Fuentes, Work Leader  
Water Utility Regulation

**FROM:** Leila Guerrero, Regulatory Accountant/Auditor  
Water Utility Regulation

**DATE:** July 17, 2015

**SUBJECT:** *Docket No. 43356, Application of Wiedenfeld Water Works, Incorporated, to Amend Certificate of Convenience and Necessity in Kerr County (Application No. 37858-C)*

On February 28, 2014, Wiedenfeld Water Works, Incorporated, ("Applicant" or "Wiedenfeld") filed an application with the Texas Commission on Environmental Quality (TCEQ) to amend Certificate of Convenience and Necessity (CCN) Nos. 12052 in Kerr County, Texas. On September 1, 2014, the rates and CCN programs were transferred from the TCEQ to the Public Utility Commission (PUC). This application was part of the transfer and is now under the PUC's purview. The application is being reviewed under 16 Tex. Admin. Code §§24.101 - 24.107 (TAC) and Tex. Water Code § 13.241 (TWC).

The area being requested consists of 16 tracts in approximately 125 acres adjoining CCN 12052. The Applicant proposes to provide water service to Monarch Hills Subdivision, a subdivision in Kerr County. The Applicant projects to serve additional 16 water connections in the proposed area at the Westwood Water System.

Proper public notice was provided on December 16, 2014 and January 4, 2015 in *Kerrville Daily Times* which is generally circulated in Kerr County, as required by 16 TAC § 24.106(c). On December 19, 2014, notice was provided to neighboring systems, landowners, cities and affected parties in Kerr County, as required by 16 TAC §§ 24.106(b)(2) and (3). The Applicant filed proof of notice with the Commission on January 21, 2015, pursuant to 16 TAC § 24.106(b)(6) and (c). Since the most recent date of public notice was January 4, 2015, the comment period ended February 3, 2015, pursuant to 16 TAC § 24.107(b). The Commission did not receive any protests, requests for hearing, or opt-out requests regarding this application.

I believe the Applicant demonstrates adequate financial, managerial, and technical capability to provide service to the area subject to this application. TWC §13.246(c) requires the Commission

to consider nine criteria when granting or amending a CCN. As a result of this application, the Applicant will amend its CCN No. 12052 in Kerr County to include the additional area requested in this application. The following criteria were considered:

- TWC §13.246(c)(1) requires the Commission to consider the adequacy of service currently provided to the requested area. To date, no service has been extended to the proposed area.
- TWC §13.246(c)(2) requires the Commission to consider the need for additional service in the requested area, including whether any landowners, prospective landowners, tenants, or residents have requested service. The fact that there is currently no retail water service provider in the proposed area demonstrates that there is a need for additional service in the area. Moreover, the Applicant proposes to serve the additional area to add the Monarch Hills Addition Subdivision to the Wiedenfeld's Westwood Water System, Public Water System (PWS) No. 133015.
- TWC §13.246(c)(3) requires the Commission to consider the effect of granting an amendment on the recipient, on the landowners in the area, and on any other retail water utility servicing the proximate area. The Applicant's CCN will be affected by this application. The Applicant's CCN No. 12052 will be amended to include the proposed area. In addition, the landowner does not have the ability to obtain retail water service in the area at the present time. If the transaction is approved, the landowner will have the ability to obtain retail water service in the proposed area.
- TWC §13.246(c)(4) requires the Commission to consider the ability of the applicant to provide adequate service. The Applicant is an existing water utility and will provide water service using the existing systems.
- TWC §13.246(c)(5) requires the Commission to consider the feasibility of obtaining service from an adjacent retail public utility. The Applicant is an existing water utility and will provide water service using the existing systems. Since the Applicant will provide water from existing facilities, it was not required to request service from the neighboring utilities.
- TWC §13.246(c)(6) requires the Commission to consider the financial ability of the applicant to pay for facilities necessary to provide continuous and adequate service. The existing systems do not have any outstanding violations and do not require any major capital improvements or repairs in order to provide service to the proposed area. The addition of the 125 acres to the Applicant's CCN boundaries does not have a material impact on the Applicant's financial or managerial capabilities. In addition, the Applicant has allotted \$40,000 from the \$500,000 loan obtained from a local bank in March 2013. This amount is reserved for any additional capital improvement or repairs, if the need arises in the future.
- TWC §§13.246(7) and (9) requires the Commission to consider the environmental integrity and the effect on the land to be included in the CCN. Water service will be provided to the residents in the proposed service area. The Applicant will serve the proposed 16 residential properties in the Monarch Hills Addition Subdivision.

- TWC § 13.246(8) requires the Commission to consider the probable improvement in service or lowering of cost to consumers. Future customers will be charged Commission approved rates as referenced in the Applicant's water tariffs.

With respect to the Applicant's financial and managerial capability as required by 16 TAC § 24.102(a), the Applicant demonstrates adequate financial and managerial capability to serve the requested area. Wiedenfeld provided historical and projected financial statements with their application. For the current year Wiedenfeld reported equity in the amount of \$71,900 and long term liabilities in the amount of \$61,200. The debt to equity ratio for the current year was \$61,200 to \$71,900, or 0.85 to 1.00. A ratio of less than 1 to 1 is preferred when reviewing financial capability to ensure that reserve funds for debt payment and repairs and maintenance are built up and maintained. The debt-to-equity ratio assists in discerning the Applicant's ability to meet its long-term obligations, as well as, ability to obtain additional borrowing. Staff identified projected principle and interest payments projected for year one (1) are \$16,000. Net income was reported for the current year as \$20,500 and depreciation expense was reported as \$7,500. Therefore, the debt service coverage ratio coverage was 28.0 to 16.0 or 1.75 to 1.00. A ratio of at least 1.25:1 is preferred when reviewing financial capability to ensure that reserve funds for debt payment and repairs and maintenance are built up and maintained. Staff also identified that Wiedenfeld's projected net income for the next six (6) years to total \$149,000. The addition of the 125 acres to the Applicant's CCN boundary does not have a material impact on the Applicant's financial or managerial capabilities.

With respect to the Applicant's technical capability to provide continuous and adequate service as required in 16 TAC § 24.102(a), the Applicant possesses the technical capability to provide continuous and adequate service pursuant to 16 TAC §24.102. Specifically, the Applicant demonstrates that it owns thirteen (13) TCEQ-approved water systems that are capable of providing drinking water in accordance with the requirements in Tex. Health and Safety Code (THSC), Chapter 340 and TCEQ's rules in 30 TAC, Chapter 290. The Applicant currently provides water service to 825 water customers and has access to an adequate supply of water. The Applicant's PWS 1330015 (Westwood Water System) is currently operating greater than the maximum standard capacity of 85%, however, Wiedenfeld submitted a preliminary engineering report on July 2, 2014, and construction plans on March 12, 2015, to the TCEQ seeking approval of the expansion for the Westwood Water System to serve the Monarch Hills Addition with 16 proposed water connections. On May 12, 2015, Wiedenfeld received an approval from TCEQ for the construction of a new water well at the Westwood Water System. The construction of a new water well will solve the Applicant's problem on the 85% capacity rule.

Based on my review of the application, the Applicant meets all of the statutory requirements of TWC Chapter 13 and the 16 TAC Chapter 24. Approving this application to amend CCN No. 12052 is necessary for the service, accommodation, convenience and safety of the public pursuant to 16 TAC § 24.102(c) because water is not currently available to the requested area and because the Applicant has received a request for service within the area. Specifically, the Applicant demonstrates that it owns a TCEQ-approved water system capable of providing drinking water in accordance with the requirements in THSC Chapter 340 and TCEQ's rules in 30 TAC Chapter

290. Further, the Applicant has access to an adequate source of water. The total area being requested includes approximately 125 acres adjoining CCN 12052. The Applicant did not indicate there are any economically distressed areas located within the requested service area, pursuant to 16 TAC § 24.102(f). The Commission did not receive any opt-out requests, protests, or requests for public hearing pursuant to 16 TAC § 24.102(i).

For the reasons stated above, the Applicant is capable of providing continuous and adequate service. Staff recommends approval of the application. Staff also recommends that the Applicant file copies of the CCN maps along with a written description of the CCN service area in the respective county clerks' office in Kerr County and pursuant to Texas Water Code § 13.257 (r) and (s).

**DOCKET NO. 43356**

**APPLICATION OF WIEDENFELD  
WATER WORKS, INCORPORATED  
TO AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY IN  
KERR COUNTY (37858-C)**

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§

**PUBLIC UTILITY  
COMMISSION OF TEXAS**

**COMMISSION STAFF'S PROPOSED REVISION TO WATER CCN NO. 12052**



# **Public Utility Commission Of Texas**

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

## **Wiedenfeld Water Works, Incorporated**

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. 12052**

to provide continuous and adequate water utility service to that service area or those service areas in Kendall, Kerr, and Medina Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 43356 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Wiedenfeld Water Works, Incorporated, 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.

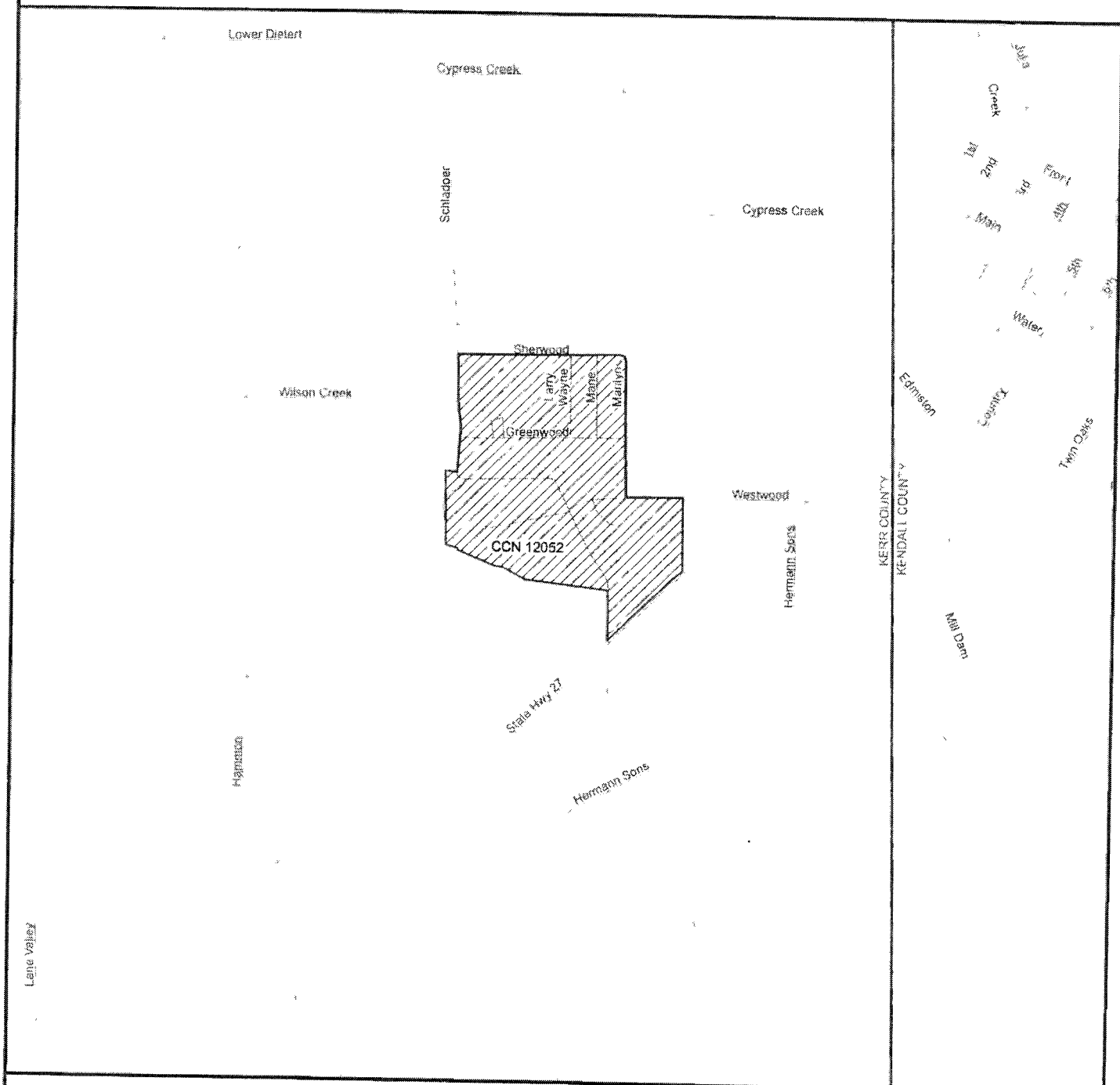
Issued at Austin, Texas, this \_\_\_\_\_ day of \_\_\_\_\_ 2015

**DOCKET NO. 43356**

<b>APPLICATION OF WIEDENFELD</b>	<b>§</b>	<b>PUBLIC UTILITY</b>
<b>WATER WORKS, INCORPORATED</b>	<b>§</b>	
<b>TO AMEND A CERTIFICATE OF</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>CONVENIENCE AND NECESSITY IN</b>	<b>§</b>	
<b>KERR COUNTY (37858-C)</b>	<b>§</b>	

**COMMISSION STAFF'S PROPOSED MAP OF THE SERVICE AREA**

Wiedenfeld Water Works, Inc.  
 Portion of Water Service Area  
 CCN No. 12052  
 PUC Docket No. 43356  
 Amended CCN No. 12052 in Kerr County



**Water CCN Service Area**



12052 - Wiedenfeld Water Works, Inc.

0 1,000 2,000  
 Feet

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

Map by: Komal Patel  
 Date created: July 8, 2015  
 Project path: n:/finalmapping/43356Wiedenfeld.mxd

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**DOCKET NO. 43356**

<b>APPLICATION OF WIEDENFELD</b>	<b>§</b>	<b>PUBLIC UTILITY</b>
<b>WATER WORKS, INCORPORATED</b>	<b>§</b>	
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<b>CONVENIENCE AND NECESSITY IN</b>	<b>§</b>	
<b>KERR COUNTY (37858-C)</b>	<b>§</b>	

**COMMISSION STAFF'S PROPOSED PROPOSED TARIFF**



## WATER UTILITY TARIFF

Docket Number: 43356

Wiedenfeld Water Works, Incorporated  
(Utility Name)

P. O. Box 418  
(Business Address)

Center Point, Texas 78010  
(City, State, Zip Code)

(830) 634-2321  
(Area Code/Telephone)

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

12052

This tariff is effective in the following counties:

Kendall, Kerr, and Medina

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or public water systems:

See attached list.

### TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE .....	2
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SECTION 3.0 -- EXTENSION POLICY .....	10
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN .....	14

APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B -- APPLICATION FOR SERVICE

This tariff is effective in the following subdivisions or systems:

PWS #	Subdivision/Facility Name	County
1330019	Cedar Springs MHP	Kerr
1330007	Center Point	Kerr
1330080	Heritage Park Water System	Kerr
1330030	Hills and Dales	Kerr
1330015	Monarch Hills	Kerr
1300035	Platten Creek Water System	Kendall
1630038	Rocky Creek Subdivision Water System	Medina
1330128	Southern Hills	Kerr
1330027	Verde Park Estates	Kerr
1330169	Vista Hills	Kerr
***1330141	Winwood Oaks Water System	Kerr
1330024	Woodhaven Mobile Home Park	Kerr
*1330134	Oak Ridge Estates Water System	Kerr
**1330015	Westwood Water System	Kerr

**Notes:**

**\*Oak Ridge Estates Water System has different rates.**

**\*\*Westwood Water System has different rates.**

**\*\*\*Windwood Oaks Water System has different rates as per settlement agreement between Wiedenfeld Water Works, Inc. and Windwood Oaks Water System customers in Application No. 36172-R.**

**Docket Number: 43356**

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## 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 0 gallons)	<u>\$4.00</u> per 1,000 gallons, up to 10,000 gallons
1"	<u>\$65.00</u>	<u>\$6.00</u> per 1,000 gallons, over 10,000 gallons
1 1/2"	<u>\$130.00</u>	
2"	<u>\$208.00</u>	
3"	<u>\$390.00</u>	

Conservation Rate: Refers to Drought Contingency Plan

<u>Stage II</u>	<u>Stage III</u>	<u>Stage IV</u>
<u>\$4.44</u>	<u>\$5.00</u>	<u>\$5.71</u> per 1,000 gallons, up to 10,000 gallons
<u>\$6.60</u>	<u>\$7.20</u>	<u>\$7.80</u> per 1,000 gallons, over 10,000 gallons

FORM OF PAYMENT: The utility will accept the following form(s) 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 Fees

TAP FEE ..... \$450.00  
 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.

Docket Number: 43356

## SECTION 1.0 -- RATE SCHEDULE (Continued)

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.

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) Non-payment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$35.00

TRANSFER FEE ..... \$35.00  
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) ..... \$5.00  
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 ..... \$25.00  
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 THE PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY  
MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER  
TESTING. [16 TAC 24.21(k)(2)]

SECTION 1.0 -- RATE SCHEDULE (Continued)

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.

DAMAGED METER AND APPURTENANCES FEE.....Actual Cost

THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN TERMINATED FOR NON-PAYMENT BY LOCKING THE METER AND METER OR APPURTENANCES SUCH AS THE CURB STOP HAVE BEEN DAMAGED REQUIRING REPAIR AND/OR REPLACEMENT IN AN ATTEMPT TO RESTORE WATER SERVICE TO THE POINT OF SERVICE THAT WAS DISCONNECTED. THE ACCOUNT HOLDER SHALL BE CHARGED THE FULL COST OF REPAIRING AND/OR REPLACING ALL DAMAGED PARTS, INCLUDING LABOR AND VEHICLES. THIS WILL INCLUDE REPLACEMENT OF METERS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES. IN ADDITION, A \$10.00 PENALTY WILL BE LEVIED TO DETER FUTURE TAMPERING.

CUSTOMER SERVICE INSPECTION FEES.....\$75.00

SERVICE APPLICANTS ARE FREE TO HAVE CUSTOMER SERVICE INSPECTIONS REQUIRED BY TCEQ RULE 290.46(j) BY ANY STATE-LICENSED INSPECTOR OF THEIR CHOICE. THEY ARE ENCOURAGED TO USE A THIRD PARTY INSPECTOR AND NOT AN EMPLOYEE OF THE UTILITY. HOWEVER, IF THEY REQUEST THE UTILITY TO PERFORM THE INSPECTION, IT WILL BE DONE AT A MARKET PRICE. SINCE THIS IS NOT A FUNCTION OF PUBLIC WATER UTILITY SERVICE, PERFORMING CUSTOMER SERVICE INSPECTIONS MUST TAKE LOWER PRIORITY TO FULFILLING UTILITY RESPONSIBILITIES UNDER TCEQS CHAPTER 290 AND PUC CHAPTER 24 RULES.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$34.00</u> (Includes 2,000 gallons)	<u>\$2.00</u> per 1,000 gallons, over 2,000 gallons

Conservation Rate: Refers to Drought Contingency Plan

<u>Stage II</u>	<u>Stage III</u>	<u>Stage IV</u>
<u>\$4.44</u>	<u>\$5.00</u>	<u>\$5.71</u> per 1,000 gallons, up to 10,000 gallons
<u>\$6.60</u>	<u>\$7.20</u>	<u>\$7.80</u> per 1,000 gallons, over 10,000 gallons

FORM OF PAYMENT: The utility will accept the following form(s) 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 Fees

TAP FEE..... \$450.00  
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.

Docket Number: 43356

SECTION 1.0 -- RATE SCHEDULE (Continued)

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.

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) Non-payment of bill (Maximum \$25.00) ..... \$25.00  
b) Customer's request that service be disconnected ..... \$35.00

TRANSFER FEE ..... \$35.00  
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) ..... \$5.00  
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 ..... \$25.00  
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 ..... N/A  
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY  
MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER  
TESTING. [16 TAC 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 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$28.20</u> (Includes <u>2,000</u> gallons)	<u>\$1.60</u> per 1,000 gallons, over 2,000 gallons
1"	<u>\$47.09</u>	
1 1/2"	<u>\$93.91</u>	
2"	<u>\$150.31</u>	

Conservation Rate: Refers to Drought Contingency Plan

<u>Stage II</u>	<u>Stage III</u>	<u>Stage IV</u>
<u>\$4.44</u>	<u>\$5.00</u>	<u>\$5.71</u> per 1,000 gallons, up to 10,000 gallons
<u>\$6.60</u>	<u>\$7.20</u>	<u>\$7.80</u> per 1,000 gallons, over 10,000 gallons

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 Fees

TAP FEE..... \$450.00  
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.

Docket Number: 43356

SECTION 1.0 -- RATE SCHEDULE (Continued)

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.

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) Non-payment of bill (Maximum \$25.00) ..... \$25.00  
b) Customer's request that service be disconnected ..... \$35.00

TRANSFER FEE ..... \$35.00  
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) ..... \$5.00  
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 ..... \$25.00  
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.  
[16 TAC 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 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallorage Charge</u>
5/8" or 3/4"	<u>\$30.00</u> (Includes 0 gallons)	<u>\$4.00</u> per 1,000 gallons
1"	<u>\$75.00</u>	
1 1/2"	<u>\$150.00</u>	
2"	<u>\$240.00</u>	
3"	<u>\$450.00</u>	

Conservation Rate: Refers to Drought Contingency Plan

<u>Stage II</u>	<u>Stage III</u>	<u>Stage IV</u>
<u>\$4.44</u>	<u>\$5.00</u>	<u>\$5.71</u> per 1,000 gallons, up to 10,000 gallons
<u>\$6.60</u>	<u>\$7.20</u>	<u>\$7.80</u> per 1,000 gallons, over 10,000 gallons

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 Fees

TAP FEE ..... \$450.00  
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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

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.

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) Non-payment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$35.00

TRANSFER FEE ..... \$35.00  
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) ..... \$5.00  
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 ..... \$25.00  
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.  
[16 TAC 24.21(k)(2)]

SECTION 1.0 -- RATE SCHEDULE (Continued)

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.

DAMAGED METER AND APPURTENANCES FEE.....Actual Cost

THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN TERMINATED FOR NON-PAYMENT BY LOCKING THE METER AND METER OR APPURTENANCES SUCH AS THE CURB STOP HAVE BEEN DAMAGED REQUIRING REPAIR AND/OR REPLACEMENT IN AN ATTEMPT TO RESTORE WATER SERVICE TO THE POINT OF SERVICE THAT WAS DISCONNECTED. THE ACCOUNT HOLDER SHALL BE CHARGED THE FULL COST OF REPAIRING AND/OR REPLACING ALL DAMAGED PARTS, INCLUDING LABOR AND VEHICLES. THIS WILL INCLUDE REPLACEMENT OF METERS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES. IN ADDITION, A \$10.00 PENALTY WILL BE LEVIED TO DETER FUTURE TAMPERING.

CUSTOMER SERVICE INSPECTION FEES.....\$75.00

SERVICE APPLICANTS ARE FREE TO HAVE CUSTOMER SERVICE INSPECTIONS REQUIRED BY TCEQ RULE 290.46(j) BY ANY STATE-LICENSED INSPECTOR OF THEIR CHOICE. THEY ARE ENCOURAGED TO USE A THIRD PARTY INSPECTOR AND NOT AN EMPLOYEE OF THE UTILITY. HOWEVER, IF THEY REQUEST THE UTILITY TO PERFORM THE INSPECTION, IT WILL BE DONE AT A MARKET PRICE. SINCE THIS IS NOT A FUNCTION OF PUBLIC WATER UTILITY SERVICE, PERFORMING CUSTOMER SERVICE INSPECTIONS MUST TAKE LOWER PRIORITY TO FULFILLING UTILITY RESPONSIBILITIES UNDER TCEQ CHAPTER 290 AND PUC CHAPTER 24 RULES.

## SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, 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.

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.

**Docket Number: 43356**

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(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.

A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. 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 30 TAC 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 2.04 - 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 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 2.07 - 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 §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 Section 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.

**Docket Number: 43356**



SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 2.08 - 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.

**Docket Number: 43356**

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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.

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 2.13 - 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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 Commission, 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 the PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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.

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### 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.

#### 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.

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 PUC, 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 PUC 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;

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SECTION 3.0 -- EXTENSION POLICY (Continued)

- 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, 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.

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.

### SECTION 3.0 -- EXTENSION POLICY (Continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 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 30 TAC 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 3.04 - 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.

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### SECTION 3.0 -- EXTENSION POLICY (Continued)

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 3.06 - 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.



SECTION 4.0 DROUGHT CONTINGENCY PLAN  
(Utility must attach copy of TCEQ approved Drought Contingency Plan)

## APPENDIX A – SAMPLE SERVICE AGREEMENT

From 30 TAC Chapter 290.47(b), Appendix B

### SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF WATER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF WATER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS.** The following unacceptable practices are prohibited by State regulations.
  - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
  - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
  - C. No connection which allows water to be returned to the public drinking water supply is permitted.
  - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
  - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).
  - A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
  - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These

inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.

- C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic re-inspection.
  - D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
  - E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.
- IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S  
SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

**APPENDIX B -- APPLICATION FOR SERVICE  
(Utility Must Attach Blank Copy)**