

Control Number: 43761



Item Number: 1

Addendum StartPage: 0

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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



43761  
RECEIVED  
2014 NOV 12 PM 12:26  
PUBLIC UTILITY COMMISSION  
FILING CLERK

STATE OF TEXAS §

COUNTY OF TRAVIS §

I, Bridget C. Bohac, Chief Clerk of the Texas Commission on Environmental Quality, do hereby certify that the attached mailing list provides the persons to whom the notice of the public hearing for S H Water Supply Corporation, SOAH Docket No. 582-12-5889, TCEQ Docket No. 2012-0473-UCR, was mailed on May 9, 2012. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 9th day of May, 2012.

Bridget C Bohac  
Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

SEAL

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



## **NOTICE OF HEARING** **S H WATER SUPPLY CORPORATION** **SOAH Docket No. 582-12-5889** **TCEQ Docket No. 2012-0473-UCR**

### **APPLICATION.**

S H Water Supply Corporation, P.O. Box 502, Spicewood, Texas 78669, has applied to the Texas Commission on Environmental Quality (TCEQ) to change its water rate/tariff effective December 5, 2011 for its service area located in Burnet County, Texas (Certificate of Convenience and Necessity (CCN) No. 13033, Application No. 37153-R). This application concerns service areas located within the USPS zip codes on the attached list.

### **CONTESTED CASE HEARING.**

The State Office of Administrative Hearings (SOAH) will conduct a preliminary hearing on this application at:

**10:00 a.m. – June 14, 2012**  
**William P. Clements Building**  
**300 West 15th Street, 4th Floor**  
**Austin, Texas 78701**

The purpose of a preliminary hearing is to establish jurisdiction, name the parties, establish a procedural schedule for the remainder of the proceeding, allow an opportunity for settlement discussions, and to address other matters as determined by the judge. The evidentiary hearing phase of the proceeding will be similar to a civil trial in state district court. The hearing will be conducted in accordance with Chapter 2001, Texas Government Code; Chapter 13, Texas Water Code; TCEQ rules, including 30 Texas Administrative Code (TAC) Chapter 291; and the procedural rules of the TCEQ and SOAH, including 30 TAC Chapter 80 and 1 TAC Chapter 155. To participate in the evidentiary hearing as a party, you must attend the preliminary hearing and show you would be affected by the petition in a way not common to members of the general public.

### **INFORMATION.**

Information concerning your participation in this hearing may be obtained by contacting Blas Coy, TCEQ Office of Public Interest Counsel (MC 103), P.O. Box 13087,

Austin, TX 78711-3087, telephone 512-239-6363. For additional information, please contact the TCEQ Water Supply Division, Utilities & Districts Section (MC 153), P.O. Box 13087, Austin, TX 78711-3087, telephone 512-239-4691. General information regarding the TCEQ can be found at our web site at <http://www.tceq.texas.gov/>.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the hearing should call the SOAH Docketing Department at 512-475-3445, at least one week prior to the hearing.

Issued: May 9, 2012

A handwritten signature in black ink that reads "Bridget C. Bohac". The signature is written in a cursive, flowing style.

Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

Bryan W. Shaw, Ph.D., *Chairman*  
Carlos Rubinstein, *Commissioner*  
Toby Baker, *Commissioner*  
Zac Covar, *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

May 9, 2012

**BY CERTIFIED AND FIRST CLASS MAIL**  
**Certified Receipt # 7010 2780 0001 8055 5573**

Bret W. Fenner, P.E.  
B & D Environmental, Inc.  
P.O. Box 500264  
Austin, Texas 78750

RE: Mailing requirements on Notice of Hearing on S H Water Supply Corporation  
**SOAH Docket No. 582-12-5889, TCEQ Docket No. 2012-0473-UCR**

Dear Mr. Fenner:

Enclosed is a Notice of Public Hearing concerning the above-referenced application. This notice must be provided in its entirety to all affected utility customers, at the utility company's expense. **A listing of all USPS zip codes within which any affected customer resides must be attached to the notice.** You may mail the notice with a utility bill or statement, or by separate first class mail. In accordance with Section 2001.051(1) of the Administrative Procedure Act, **all affected customers must receive the notice not less than 10 days before the hearing date, or not later than June 4, 2012.**

After the notice is mailed to all affected customers, you must file an affidavit stating the attached notice was mailed to all affected customers, and stating the date on which it was mailed. **Please be sure to attach a copy of the mailed notice including the zip code listing to the affidavit.** The affidavit must be filed with the Office of the Chief Clerk of the Texas Commission on Environmental Quality (Commission), ATTN: SOAH Docket Clerk (Mail Code 105), P.O. Box 13087, Austin, Texas 78711-3087, at least two days before the public hearing.

Immediately contact the State Office of Administrative Hearings (SOAH) Docket Clerk in the event that notice is not provided in a timely manner. **When contacting the Commission or SOAH regarding this application, please reference the SOAH docket number given at the top of this letter.**

If you have any questions, please call (512) 475-3445 to speak with the SOAH Docket Clerk.

Sincerely,

*Bridget C. Bohac*

Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

Enclosures

TCEQ - Office of the Chief Clerk  
MC-105 Attn: SOAH Docket Clerk  
PO Box 13087  
Austin TX 78711-3087

Utility Company: S H WATER SUPPLY CORPORATION  
TCEQ Docket Number: 2012-0473-UCR  
SOAH Docket Number: 582-12-5889

## AFFIDAVIT OF NOTICE TO CUSTOMERS OF THE PUBLIC HEARING

STATE OF TEXAS §

COUNTY OF: \_\_\_\_\_ §

Before me, the undersigned authority, on this day personally appeared the affiant who being by me duly sworn, deposes and says:

My name is \_\_\_\_\_, I am over eighteen (18)  
(Name of Affiant)

years of age. I have personal knowledge of the facts stated herein and they are all true and correct.

I am \_\_\_\_\_ of  
(Title of Affiant)

\_\_\_\_\_  
(Name of Utility)

On \_\_\_\_\_, I caused to be mailed to all of the above named utility's  
(Date)

customers and affected municipalities, if any, the attached notice of public hearing. The notice was mailed by first class mail.

\_\_\_\_\_  
Signature of Affiant

Subscribed and sworn to before me this the \_\_\_\_\_ day of \_\_\_\_\_,  
20 \_\_\_\_\_, to certify which witness my hand and seal of office.

(Seal)

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or type Name of Notary Public

My Commission Expires \_\_\_\_\_

**MAILING LIST**  
**S H WATER SUPPLY CORPORATION**  
**SOAH Docket No. 582-12-5889**  
**TCEQ Docket No. 2012-0473-UCR**

Bret W. Fenner, P.E.  
B & D Environmental, Inc.  
P.O. Box 500264  
Austin, Texas 78750  
*Representing: S H WSC*

*(Via First Class and Certified Mail)*

Texas Commission on Environmental Quality  
P. O. Box 13087  
Austin, Texas 78711-3087  
***Via electronic mail:***

Kayla Murray, Staff Attorney, Environmental Law Division (MC 173)  
Hollis Henley, Staff Attorney, Environmental Law Division (MC 173)  
Brian Dickey, Technical Staff, Water Supply Division, Utilities & Districts Section  
(MC 153)  
Elsie N. Pascua, Financial Staff, Water Supply Division, Utilities & Districts  
Section (MC 153)  
Blas Coy, Office of Public Interest Counsel (MC 103)



7010 2780 0001 8055 5573

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)  
For delivery information visit our website at [www.usps.com](http://www.usps.com)®

Postage: \$ \_\_\_\_\_

**BRET FENNER PE**  
**B & D ENVIRONMENTAL INC**  
**PO BOX 500264**  
**AUSTIN TX 78750-0264**

Total: Coverage at \$ \_\_\_\_\_

Sent To \_\_\_\_\_  
Street, Apt. No.,  
or PO Box No. \_\_\_\_\_  
City, State, ZIP+4 \_\_\_\_\_

PS Form 3800, August 2006 See Reverse for Instructions

**SHWSC**  
**BRET FENNER PE**  
**2012-0473-UCR**  
**37153-R, 13033**  
**81309**

1. Article Addressed to:

**BRET FENNER PE**  
**B & D ENVIRONMENTAL INC**  
**PO BOX 500264**  
**AUSTIN TX 78750-0264**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature **X**  ☐ Agent  
☐ Addressee

B. Received by (Printed Name) **Bret Fenner** C. Date of Delivery **MAY 14 2012**

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

(Revised - 06/09/09)

**FOR SOAH USE ONLY**

(req. frm)

Date complete request received by SOAH:

Proceeding date set by SOAH:

SOAH Docket Number& type of case:

**REQUEST TO DOCKET CASE (Please type or print)**

**PLEASE CHECK ACTION REQUESTED:\*\***

**X SETTING OF HEARING** ☐ **ASSIGNMENT OF ALJ \*** ☐ **ALTERNATIVE DISPUTE RESOLUTION (ADR)/MEDIATION\***

REFERRING AGENCY NAME: TCEQ AGENCY NO.: \_\_\_\_\_ AGENCY'S FILE/CASE NO.: 2012-0473-UCR

NAME/STYLE OF THE CASE: S H WATER SUPPLY CORPORATION

DATE APPLICATION FILED AT AGENCY: \_\_\_\_\_ DOCKET NO. SUFFIX, if applicable: UCR

PROCEEDING DATE(S) REQUESTED (Include range of dates if possible): June 14, 2012

EXPECTED NUMBER OF HOURS (If less than a day) OR DAYS NEEDED FOR PROCEEDING: \_\_\_\_\_ HOURS 1 DAYS

☐ **ADMIN. FINE** ☐ **GRIEVANCE** ☐ **ENFORCEMENT** ☐ **CONTRACT CLAIM (Gov't. Code 2260)** ☐ **OTHER** \_\_\_\_\_

SPECIAL NEEDS OR ACCOMMODATIONS: HEARING IN AUSTIN, SEATING FOR 20 PEOPLE

IF ADR REQUESTED PLEASE DESCRIBE PROCESS NEEDED: \_\_\_\_\_

☐ **PREHEARING CONFERENCE REQUESTED** ☐ **INTERPRETER NEEDED(See 1 TAC 155.43(g))**

☐ **CASE FILE** and/or ☐ **HEARING IS CONFIDENTIAL (Specify applicable statute):** \_\_\_\_\_

NAME OF INDIVIDUAL SENDING REQUEST FORM: KATHA ANDERSON PHONE NO.: 239-3316 FAX NO.: 239-3311

**PARTIES AND REPRESENTATIVES**

PARTY REPRESENTED BY: ☐ **SELF** ☐ **ATTORNEY**  
☐ **OTHER, If so, relationship:**

REPRESENTATIVE'S NAME: KAYLA MURRAY

PARTY'S NAME:

ADDRESS:

PHONE No.: (512) 239-0750  
(Direct Phone Number Please)

Email Address: Kayla.murray@tceq.texas.gov

FAX No.:

PARTY REPRESENTED BY: ☐ **SELF** ☐ **ATTORNEY**  
☐ **OTHER, If so, relationship:**

REPRESENTATIVE'S NAME:

PARTY'S NAME:

ADDRESS:

PHONE No.:  
(Direct Phone Number Please)

Email Address:

FAX No.:

**PLEASE LIST ADDITIONAL PARTIES AND/OR REPRESENTATIVES ON EXTRA FORM PROVIDED.**

SEND TO: STATE OFFICE OF ADMINISTRATIVE HEARINGS  
ATTN.: Deputy Clerk  
William P. Clements Building  
300 West 15th Street, Suite 504  
Austin, Texas 78701

OR

Post Office Box 13025  
Austin, Texas 78711-3025  
Docketing Phone No. (512) 475-3445  
Fax No. (512) 475-4994

**\*PLEASE FORWARD A COPY OF THE APPLICATION, APPEAL, OR COMPLAINT WITH THIS REQUEST FORM, AS WELL AS ANY OTHER PLEADING FILED IN THE CASE TO DATE IF REQUESTING ASSIGNMENT OF ALJ or ALTERNATIVE DISPUTE RESOLUTION (ADR)/MEDIATION. A COPY OF THE NOTICE OF PROCEEDING MUST BE FORWARDED TO SOAH AT THE SAME TIME IT IS MAILED TO THE PARTIES.**

## Katha Anderson

---

**From:** Katha Anderson  
**Sent:** Thursday, April 19, 2012 10:45 AM  
**To:** 'docketing@soah.state.tx.us'  
**Subject:** 2012-0473-UCR dkt request.doc  
**Attachments:** Referral 2012-0473-UCR.pdf; 2012-0473-UCR dkt request.doc

**Katha Anderson**

---

**From:** Audrey Emery [Audrey.Emery@soah.state.tx.us]  
**Sent:** Thursday, April 19, 2012 2:21 PM  
**To:** Katha Anderson  
**Cc:** Donnie Roland  
**Subject:** CONFIRMATION

**SETTING OF HEARING(S)**

<b><u>Docket Number</u></b>	<b><u>Case</u></b>	<b><u>Date</u></b>	<b><u>Time/Duration</u></b>
582-12-5889 2012-0473-UCR	S H WATER SUPPLY	06/14/2012	10:00 AM / 1 DAY
582-12-5890 2012-0474-UCR	CIMARRON PARK	05/31/2012	10:00AM / 1 DAY
582-12-5891 2012-0475-UCR	EAST RIO HONDO	06/14/2012	10:00AM / 1 DAY

**Hearing Location**

**State Office of Administrative Hearing  
W.P. Clements Building  
300 West 15<sup>th</sup> Street, 4<sup>th</sup> Floor  
Austin, TX 78701**

All parties will be notified in the event of a change of location of the hearing.

Please remember that you are responsible for providing the court reporter as required by your agency

If you have any questions regarding any of the information herein, please contact me.

**TEXAS COMMISSION  
ON ENVIRONMENTAL QUALITY**  

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**TRANSMITTAL OF ADMINISTRATIVE RECORD**

RECEIVED  
STATE OFFICE OF  
ADMINISTRATIVE SERVICES  
2012 MAY 31 PM 2:28

**DATE:** May 30, 2012  
**TO:** SOAH Natural Resources Docket Clerk  
**FROM:** KA Katha Anderson, TCEQ Final Documents Team  
**RE:** S H Water Supply Corporation; Application No. 37153-R  
SOAH Docket No. 582-12-5889; TCEQ Docket No. 2012-0473-UCR

Pursuant to 30 TAC § 80.6(b)(4) regarding referrals to SOAH, a copy of the Chief Clerk's case file is attached. Please find certified copies of the following documents:

- ☒ 1. the application;
- ☒ 2. public hearing notice and Chief Clerk's affidavit; *Please note: at this time the OCC has not received the affidavit of notice to customers of the public hearing issued on May 9, 2012. When it is received, OCC will supplement this package.*

If any of these documents are not included as enclosures with this memo, please notify Melissa Chao, Final Documents Team Leader at (512) 239-3327.

THE STATE OF TEXAS  
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a  
Texas Commission on Environmental Quality document,  
which is filed in the permanent records of the Commission.  
Given under my hand and the seal of office on

## TCEQ Interoffice Memorandum

*Bridget C. Bohac*

**MAY 30 2012**

Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

**To:** Bridget C. Bohac, Chief Clerk

**Thru:** *[Signature]* Tammy Benter, Manager  
Utilities & Districts Section  
Water Supply Division

*[Signature]* Lisa Fuentes, Team Leader  
Utilities Financial Review Team  
Water Supply Division

*[Signature]* Vera Poe, P.E., Team Leader  
Utilities Technical Review Team  
Water Supply Division

**From:** *[Signature]* Elsie N. Pascua, Auditor  
Utilities Financial Review Team  
Water Supply Division

*[Signature]* Brian Dickey, Staff Engineer  
Utilities Technical Review Team  
Water Supply Division

**Date:** March 9, 2012

**Subject:** Docket No. 2012-0473-UCR; Water Rate Change Application of S H  
WSC, Certificate of Convenience and Necessity No. 13033 in Burnet  
County; Application No. 37153-R

CN: 601640725; RN: 103105060

We hereby transfer the official file for the above referenced application to the Chief Clerk's Office. Please refer this application to the State Office of Administrative Hearings (SOAH) for scheduling.

The rate change application was received on November 28, 2011. The effective date of the rate increase was December 5, 2011, and the deadline for customer protests was March 5, 2012. We received 16 protests from a total of 37 water customers which exceeds the minimum requirement of 10%, of the affected customers.

Staff estimates 20 people to attend this hearing. Attached is a mailing list for this application.

Staff assigned to this case are:

Financial - Elsie N. Pascua

CHIEF CLERK'S OFFICE

2012 MAR 12 4:11:11

TEXAS  
COMMISSION  
ON ENVIRONMENTAL  
QUALITY

If we may be of further service regarding this matter, please call.

Lisa Fuentes for  
Tammy Benter, Manager

TB/EP/BD/LN

Bryan W. Shaw, Ph.D., *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

March 9, 2012

### CERTIFIED MAIL

Mr. Bret W. Fenner, P.E.  
B & D Environmental, Inc.  
P.O. Box 500264  
Austin, Texas 78750

Re: Water Rate Change Application of S H Water Supply Corporation, Certificate of Convenience and Necessity No. 13033 in Burnet County; Application No. 37153-R

CN: 601640725; RN: 103105060

Dear Mr. Fenner:

Texas Commission on Environmental Quality (Commission) received your application for a water rate/tariff change on November 28, 2011. Your application has been assigned Docket No. 2012-0473-UCR. Any further communication should refer to this docket number.

The Commission has received 16 protests from a total of 37 water customers, which exceeds the minimum requirement of 10%, of your affected customers. This matter has been referred to the State Office of Administrative Hearings for scheduling. When the hearing has been scheduled, you will receive a notice which explains when and where the hearing will be held.

You may be receiving Staff Requests for Information (RFI's) pursuant to TCEQ Rule 30 Texas Administration Code 291.28(4) regarding the utility's cost of providing service. We would appreciate your cooperation in providing the information requested.

Please contact the staff listed below if you have questions about this process or what material you should bring to the hearing. Both staff members can be reached by fax at 512/239-6972. Include MC 153 in the address if you contact TCEQ by correspondence.

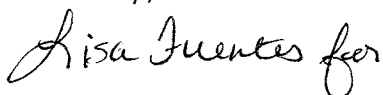


Mr. Bret W. Fenner, P.E.

Page 2  
March 9, 2012

Ms. Elsie Pascua at 512/239-5367 or by email [Elsie.pascua@tceq.texas.gov](mailto:Elsie.pascua@tceq.texas.gov)  
Mr. Brian Dickey at 512/239-0963, or by email at [Brian.Dickey@tceq.texas.gov](mailto:Brian.Dickey@tceq.texas.gov)

Sincerely,

A handwritten signature in cursive script that reads "Lisa Fuentes for".

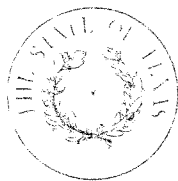
Tammy Benter, Manager  
Utilities and Districts Section  
Water Supply Division

TB/EP/BD/LN

Mailing List for:  
SH WSC  
Docket No. 2012-0473-UCR  
(Application No. 37153-R)

Mr. Bret W. Fenner, P.E.  
B & D Environmental, Inc.  
P.O. Box 500264  
Austin, TX 78750

Bryan W. Shaw, Ph.D., *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

December 21, 2011

Mr. Bret W. Fenner, P.E.  
B & D Environmental, Inc.  
P.O. Box 500264  
Austin, Texas 78750

Re: Water Rate Change Application of S H Water Supply Corporation, Certificate of Convenience and Necessity No. 13033 in Burnet County; Application No. 37153-R

CN: 601640725; RN: 103105060

Dear Mr. Fenner:

Thank you for your response received on November 28, 2011, regarding the above referenced application. Your application has been accepted for filing and assigned Application No. 37153-R. Please refer to this number in future correspondence.

**Your new rates may go into effect on December 5, 2011.** Your new effective date must be at least 60 days following the date your completed applications were mailed to us and correct notice is mailed or delivered to the customers. The effective date of the new rates must be the first day of the billing period, and the new rates may not apply to service provided before the effective date of the new rates.

The application will be scheduled for a hearing if:

- the Texas Commission on Environmental Quality (TCEQ) receives complaints from at least 10% of the ratepayers within 90 days of the effective date of the rate increase, or
- TCEQ staff protests the application on its own motion.

You will be notified if a hearing is scheduled. If, during the course of a hearing, rates are set which are different from the rates charged by Utility, you may be required to refund or credit future bills. The refund or credit will include all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered, plus interest, as determined by the TCEQ.

Mr. Bret W. Fenner, P.E.  
Page 2  
December 21, 2011


If TCEQ does not receive the required number of complaints within 90 days of the effective date, and the staff does not require a hearing, you will receive another letter or notification from TCEQ so informing you, along with your approved tariff.

Please contact the staff listed below if you have any questions. Include MC-153 in the address if you contact TCEQ by correspondence.

Ms. Elsie Pascua at (512)239-5367 or by email at  
Elsie.Pascua@tceq.texas.gov.

Mr. Brian Dickey at (512)239-0963 or by email at Brian.Dickey@tceq.texas.gov.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Benter".

Tammy Benter, Manager  
Utilities and Districts Section  
Water Supply Division  
Texas Commission on Environmental Quality

TB/LG/mmg

**B & D ENVIRONMENTAL, INC.**

P.O. BOX 500264

AUSTIN, TEXAS 78750

PHONE NO: (512) 264-9124

FAX NO: (512) 692-1967

EMAIL: [bretfenner@yahoo.com](mailto:bretfenner@yahoo.com)

November 28, 2011

RECEIVED  
TO EQ  
WATER SUPPLY DIV.  
2011 NOV 28 PM 2 00

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

Re: Water Rate/Tariff Change Application of SH WSC, Certificate of Convenience and Necessity (CCN) No. 13033 in Burnet County; Application No. 37153-R

Dear Ms. Guerrero:

Enclosed are an original and three copies of an errata notice mailed to each customer and notarized affidavit correcting the Return Check Charge on the proposed rate increase notice for the above referenced application.

Should you have any further questions concerning this application, please do not hesitate to contact me at (512) 264-9124.

Sincerely,



Bret W. Fenner, P.E.  
B & D Environmental, Inc.

Enclosures

RECEIVED  
TO EQ  
WATER SUPPLY DIV.  
2011 NOV 28 PM 5 13

Texas Commission on Environmental Quality



AFFIDAVIT OF NOTICE TO CUSTOMERS AND OTHER AFFECTED PARTIES  
APPLICATION NO. 37153-R

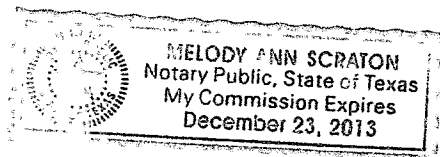
STATE OF TEXAS  
COUNTY OF Burnet

Before me, the undersigned authority, on this day personally appeared  
Brent Taylor, who being by me  
duly sworn, deposes and that (s)he is the President  
(TITLE)  
of the SH Water Supply Corp.;  
(NAME OF UTILITY)

that the attached notice was provided to customers and other affected parties by  
US Mail  
(METHOD USED TO PROVIDE NOTICE)

on or about the following date, to wit: 12/5/2011  
(DATE)  
Bert J. [Signature]  
(SIGNATURE OF UTILITY OFFICIAL)

Subscribed and sworn to before me this 22nd day of November, 2011,  
to certify which witness my hand and seal of office.



Melody Ann Scraton  
Notary Public in and for the State of Texas  
MELODY ANN SCRATON  
Print or Type Name of Notary Public  
Commission Expires 12/23/2013

## ERRATA NOTICE OF PROPOSED RATE CHANGE

**S H WATER SUPPLY CORPORATION**

**13033**

Company Name

CCN Number

has submitted a rate change application to the Texas Commission on Environmental Quality (Commission). The notice of proposed rate change mailed to each customer on or about October 5, 2011 incorrectly noticed the proposed return check charge fee. The correct proposed return check charge fee is listed below.

EFFECTIVE DATE OF PROPOSED INCREASE: December 5, 2011

CURRENT RATES		PROPOSED RATES	
<u>Miscellaneous Fees</u>		<u>Miscellaneous Fees</u>	
Return check charge	\$ 25.00	Return check charge	\$ 30.00

Bryan W. Shaw, Ph.D., *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

November 3, 2011

**TRANSMITTED VIA:**  
**FAX: (512) 692-1967**  
**and CERTIFIED MAIL**

Mr. Bret W. Fenner, P.E.  
P.O. Box 500264  
Austin, Texas 78750

### **NOTICE OF DEFICIENCY**

Re: Water Rate Change Application of S H WSC, Certificate of Convenience and Necessity No. 13033 in Burnet County; Application No. 37153-R

CN: 601640725; RN: 103105060

Dear Mr. Fenner:

Your rate application received on October 5, 2011, has been assigned Application No. 37153-R, but has not been accepted for filing. Please refer to this number in future correspondence.

Based on an administrative review of your application it appears that you are proposing to increase the "Return Check Charge" from \$25.00 to \$50.00. Please be aware that the Texas Business and Commerce Code Section 3.506(b) states that:

***"On return of a payment device to the holder following dishonor of the payment device by a payor, the holder....to seek collection of the face value of the dishonored payment device may charge the drawer or indorser a reasonable processing fee of not more than \$30.00".***

We are not suspending the effective date of your rate change, however, you are required to send an **"errata notice"** to all affected customers by mail or billing inserts.

An original and three (3) copies of the notarized affidavit, **errata notice** to customers and all the items requested above must be submitted to our office by **December 5, 2011**. If all items are not received by this date, the application will be returned for failure to prosecute.



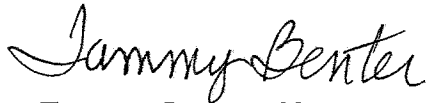
Mr. Bret W. Fenner, P.E.

Page 2

November 3, 2011

If you have any further questions, please contact Ms. Leila Guerrero at (512)239-2286, Mr. Brian Dickey at (512)239-0963, or Ms. Elsie Pascua at (512)239-5367. If you contact TCEQ by correspondence, include MC 153 in the letterhead address.

Sincerely,

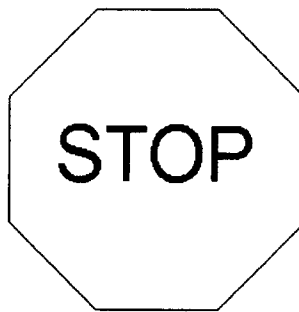
A handwritten signature in cursive script that reads "Tammy Benter".

Tammy Benter, Manager  
Utilities and Districts Section  
Water Supply Division  
Texas Commission on Environmental Quality

TB/LG/mc



# Application for a Rate/Tariff Change



When you are filling out this application, you cannot go from one line to the next and fill it out correctly. You will need to complete some tables partially and come back to them later in the process.

Therefore, it is important that you follow the instructions that accompany this application. They are designed to give you a step-by-step process for completing the application.

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# APPLICATION FOR A RATE/TARIFF CHANGE

## SECTION IA - GENERAL INFORMATION

Applicant: **SH Water Supply Corporation**

(Individual, Corporation, or Other Legal Entity)

Utility Name:

(If different than above)

Legal form of Application:

<input type="checkbox"/>	Individual
<input type="checkbox"/>	Partnership
<input checked="" type="checkbox"/>	Corporation. Provide Charter Number <u>0158412300</u>
<input type="checkbox"/>	Sub Chapter-S Corporation
<input type="checkbox"/>	Other: _____

Utility Address: **P.O. Box 502** **Spicewood** **Texas** **78669**  
Street Address or Location City State Zip Code

County(ies) where services are provided: **Burnet** CCN Number(s): **Water: 13033**

Contact

Person: **Bret W. Fenner, P.E.**

Telephone Number: **(512) 264-9124**

Position: **Engineer**

Fax Number: **(512) 692-1967**

Address: **P.O. Box 500264** **Austin** **Texas** **78750**  
Street Address or Location City State Zip Code

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

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

**SECTION IB - MISCELLANEOUS INFORMATION**A. How often and on what dates are water meters typically read? **Last week of the month**B. When are bills typically sent out? **First week of the month**C. Do you serve customers within the corporate limits of a municipality? If No, Go to D. \_\_\_\_ Yes **X** No

If yes, which municipalities? \_\_\_\_\_

Have you filed a request to change rates with the municipality? \_\_\_\_ Yes **X** No. If no, please explain:

D. Are you currently collecting the Regulatory Assessment Fee from your customers?

**X** Yes \_\_\_\_ No

If yes, are you current in your payment of the Regulatory Assessment Fee to the Texas Commission on Environmental Quality or the predecessor agency, Texas Water Commission, for assessments payable beginning January 1, 1992?

**X** Yes \_\_\_\_ NoE. *Water Utilities:* Please indicate the Public Water System Identification numbers for each of your system

System Name	TCEQ PWS ID #	County	Rate Increase Applicable?
<b>S H WSC</b>	<b>0270118</b>	<b>Burnet</b>	<b>Yes</b>

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

F. *Sewer Utilities:* Please indicate the discharge permit number for each Wastewater Treatment Plant you operate:

Wastewater Treatment Plant Name	TCEQ Discharge Permit Number	County	Rate Increase Applicable?
<b>None</b>			

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

**INFORMATION REQUIRED  
FOR A  
WATER RATE/TARIFF CHANGE**

**SECTION II: OPERATIONAL INFORMATION - WATER****Manager** (or owner if services are routinely provided to the utility)

Name

Relationship to Owner:

Short job description:

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

Salary: ( ) Hourly- ( ) Weekly – ( ) Monthly – ( ) Annual

**EMPLOYEES**

Name:

Relationship to owner:

Short job description:

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

Salary: ( ) Hourly- ( ) Weekly – ( ) Monthly – ( ) Annual

Name:

Relationship to owner:

Short job description:

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

Salary: ( ) Hourly- ( ) Weekly – ( ) Monthly – ( ) Annual

Contract Services (attach additional sheets if necessary)

Name: **Spicewood Utility Services**Relationship to owner: **None**

Short job description:

**Repairs and maintenance, certified operator, daily operations, customer relations, billing and record****Keeping, water testing. Spicewood is paid on an hourly basis for large repairs and improvements.**Approximate number of hours per week this person works for the company: **20**Amount paid for services: **\$1,000 per month** ( ) Hourly- ( ) Weekly – ( **X** ) Monthly – ( ) Annual

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

Certified Operator's Name/ Classification

Certified Operator's Name/Classification

**Brent Taylor – Class C Groundwater****-Attach additional sheet(s) if necessary-**



**INFORMATION REQUIRED  
FOR A  
WATER RATE/TARIFF CHANGE**

**SECTION II: OPERATIONAL INFORMATION - WATER****Manager** (or owner if services are routinely provided to the utility)

Name

Relationship to Owner:

Short job description:

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

Salary: ( ) Hourly- ( ) Weekly – ( ) Monthly – ( ) Annual

**EMPLOYEES**

Name:

Relationship to owner:

Short job description:

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

Salary: ( ) Hourly- ( ) Weekly – ( ) Monthly – ( ) Annual

Name:

Relationship to owner:

Short job description:

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

Salary: ( ) Hourly- ( ) Weekly – ( ) Monthly – ( ) Annual

Contract Services (attach additional sheets if necessary)

Name: **Spicewood Utility Services**Relationship to owner: **None**

Short job description:

**Repairs and maintenance, certified operator, daily operations, customer relations, billing and record****Keeping, water testing. Spicewood is paid on an hourly basis for large repairs and improvements.**Approximate number of hours per week this person works for the company: **20**Amount paid for services: **\$1,000 per month** ( ) Hourly- ( ) Weekly – ( **X** ) Monthly – ( ) Annual

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

Certified Operator's Name/ Classification

Certified Operator's Name/Classification

**Brent Taylor – Class C Groundwater****-Attach additional sheet(s) if necessary-**

### SECTION III. PLANT & EQUIPMENT INFORMATION – WATER

#### A. CUSTOMER CONTRIBUTIONS

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

Table III. A.

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

- Attach additional sheet(s) if necessary -

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

# B. ORIGINAL COST & DEPRECIATION SCHEDULE – WATER

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

Table III. B.

[A] Item	[B] Date of Installation	[C] Service Life (yrs)		[D] Original Cost when installed (\$)	Years in Service			Depreciation		[G] = [D]-[F] Net Book Value (\$)		
		*	**					[E] = [D]/[C] Annual (\$)	[F] Accumulated (\$)			
					Yrs ⓪	Mos ⓪⓪	Days ⓪⓪⓪					
Land		n/a										
Wells		50										
Well Pumps:												
5 hp or less		5										
greater than 5 hp		10										
Booster Pumps:												
5 hp or less		5										
greater than 5 hp		10										
Chlorinators		10										
Structures:												
Wood		15										
Masonry		30										
Storage Tanks		50										
Pressure Tanks		50										
Distribution System (mains and lines)		50										
Meters and Service (taps not covered by fees)		20										
Office Equipment		10										
Vehicles		5										
Shop Tools		15										
Heavy Equipment		10										
Fencing		20										
Other: (Please list)												
Total								①	②	③		

\* TCEQ Suggested Service Life \*\* Other Service Life

① Enter this number in Table VI. A., Line [O], Column ① ② If [F] is greater than [D], enter the total for [D]

③ Enter this number in Table IV. E., Line [A]

-Attach additional sheet(s) if necessary-

**C. DEVELOPER CONTRIBUTIONS - WATER**

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

**Table III. C.**

Item	Date of installation or Contribution	Total Cost	Amount of Developer Contribution	Net Book Value (from Table III. B.)
None				
Total				①

① Insert this amount in Table IV. E., Line [E]

- Attach additional sheet(s) if necessary -

**SECTION IV - LONG TERM DEBT & EQUITY INFORMATION - WATER**

**A. EQUITY**

How much equity or total capital does the company have in the utility? \$ 116,518 Enter also in Table IV. D., Box ③ below

**B. RATE OF RETURN**

What rate of return (profit) on investment in plant (equity) is expected? 12 % Enter also in Table IV. D., Box ④ below

NOTE: You may choose

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

**C. BANKRUPTCY**

Has the utility or utility owner filed bankruptcy within the last seven years? YES X NO

If YES, explain status of applicant at this time. \_\_\_\_\_

**D. NOTES PAYABLE - WATER**

List the following  
equity of the utility and

information concerning debt and  
attach copies of notes payable:

Round all percentages to two (2) decimal places.

**Table IV. D.**

[A] Name of Bank/Lender	[B] Date of Issue	[C] Date of Maturity	[D] Original Amount of Loan	[E] Outstanding or Unpaid Balance - <b>End of Test Year</b>	[F] Interest Rate	[G] Weighted Average [E] ÷ ⑤ * [F]
<b>Part 1 - Debt</b>						
<b>None</b>			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
<b>Total</b>			\$ ①	\$ ②		%⑧
<b>Part 2 - Investment/Equity</b>						
				\$ <b>116,518</b> ③	<b>12.00</b> %④	<b>12.00</b> %⑦
<b>Total Debt &amp; Equity</b>				\$ <b>116,518</b> ⑤		
					<b>Rate of Return:</b>	<b>12.00</b> %⑧

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

**E. INVESTED CAPITAL & RETURN - WATER****Table IV. E.**

Net Book Value - From Table III. B., Box ②	[A]	\$ 116,518
Working cash allowance - (Amount From Table VI. A., Line [L] Column ③, Box ⑦ (÷ 8))	[B]	\$ 3,251
Materials and supplies	[C]	\$ 0
Subtotal - Sum of [A] thru [C]	[D]	\$ 119,769
Developer Contributions - From Table III. C., Box ①	[E]	\$ 0
Total invested capital [D] - [E]	[F]	\$ 119,769
Rate of return - From Table IV. D., Box ⑧	[G]	12.00 %
<b>Return/Interest</b> - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-. Enter this amount in Table V., Line [A] and Table VI. A., Line [Q], Column ②	[H]	\$ 14,372

**SECTION V - INCOME TAX CALCULATION – WATER**

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

**Table V.**

Return - From Table IV. E., Line [H]	[A]	\$ 14,372
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$ 119,769
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box ⑧	[C]	N/A
Interest [B]*[C]	[D]	\$ 0
Taxable Income [A] - [D]	[E]	\$ 14,372
Enter Income Tax from Tax Table (Appendix A)	[F]	\$ 2,559 ①

① To Table VI. A., Line [P], Column ②

# SECTION VI - UTILITY INCOME & EXPENSE INFORMATION - WATER

## A REVENUE REQUIREMENT

Please provide the following information regarding the cost to the utility of providing water utility service over your selected twelve month "test year."

Note 1 - Instead of using the percentages listed, you may take the Total Cost and multiply it by 67% to determine the fixed portion and 33% for the variable portion.

TABLE VI. A.

Test Year 01/1/2010 to 12/31/2010		Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of ③ that is fixed (Note 1)		Fixed Expenses (Note 1)	Variable Expenses (Note 1)
						Rec.	Act.		
			①	②	③=①+②	④		⑤=(③*④)/100	⑥=③-⑤
Salaries and Wages		[A]	0	0	0	50		0	0
Contract Labor		[B]	12,095	(95)	12,000	90		10,800	1,200
Purchased water		[C]	0	0	0	0		0	0
Chemicals for treatment		[D]	0	360	360	0		0	360
Utilities (electricity)		[E]	3,000	0	3,000	0		0	3,000
Repairs/maintenance/supplies		[F]	5,714	0	5,714	50		2,857	2,857
Office expenses		[G]	980	0	980	50		490	490
Accounting & Legal fees		[H]	1,756	0	1,756	100		1,756	0
Insurance		[I]	0	900	900	100		900	0
Rate case expense		[J]	0	1,000	1,000	100		1,000	0
Miscellaneous		[K]	0	300	300	50		150	150
Subtotal - Sum of Line [A] thru Line [K]			23,545	2,465	26,010			17,953	8,057
Payroll Taxes		[M]	0	0	0	50		0	0
Property and other taxes		[N]	332	2	334	100		334	0
Annual Depreciation and Amortization - From Table III. B.		[O]	0	3,952	3,952	100		3,952	0
Income Taxes - From Table V, Line [F]		[P]		2,559	2,559	100		2,559	0
Return - From Table IV. E., Line [H]		[Q]		14,372	14,372	100		14,372	0
Subtotal - Sum of Line [L] thru Line [Q]			23,877	23,350	47,227			39,170	8,057
Other Revenues		[S]	7,017	(450)	6,567	100		6,567	0
Total Cost = Line [R] - Line [S]			16,860	23,800	40,660			32,603	8,057
Alternative Allocation between Fixed and Variable						67			



**B. KNOWN & MEASURABLE**

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

(See Attachment D)

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

---

**SECTION VII - CUSTOMER INFORMATION - WATER**
**NUMBER OF CUSTOMERS**

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

**TABLE VII**

Connection Type	Line	Beginning of period ①	End of period ②	Equivalency Factor ③	Meter Equivalents ④=②*③
Non-Metered Connections:					
Residential	[A]			1	
Commercial	[B]			1	
Standby	[C]			1	
Metered Connections:					
5/8" x 3/4"	[D]	36	37	1	37
3/4"	[E]			1.5	
1"	[F]			2.5	
1 1/2"	[G]			5	
2"	[H]			8	
3"	[I]			15	
Other:	[J]				
Total	[K]	36	37		37 ⑤

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

## SECTION VIII - PRODUCTION & CONSUMPTION INFORMATION - WATER

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

**Table VIII**

Total number of gallons pumped (total master meter reading for the year)	[A]	3,067,000	gallons
Total number of gallons purchased from another source for sale to customers (if any)	[B]		gallons
Total number of gallons provided to customers <b>[C]=[A]+[B]</b>	[C]	3,067,000	gallons
Total number of gallons billed to your customers (total customer consumption)	[D]	3,037,000 <sup>①</sup>	gallons
System losses: $\frac{([C] - [D])}{[C]} \times 100\% = [E]$	[E]	0.98	%
Source of Purchased water			

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

# SECTION IX - RATE DESIGN - WATER (SEE SECTION X - ALTERNATE METHOD OF RATE DESIGN - WATER)

## A. VARIABLE RATE CALCULATIONS

Table IX. A.

	Line		Instructions
Total Variable Costs	[A]	\$ 8,057	From Table VI. A., Line [T], Box ⑥ or Line [U], Box ⑥
Total # of Gallons Billed to Customers	[B]	3,037,000	From Table VIII, Line [B]
Total # of 1,000 Gallons billed	[C]	3,037	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons	[D]	\$ 2.65	Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ⑥

## B. BASE RATE CALCULATIONS

Table IX. B.

	Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost to be added to base rate	Total base rate per meter size
		①	②	③	④=②*③	⑤=①+④
Total fixed costs - From Table VI. A., Line [T], Box ⑥ or Line [U], Box ⑥	[A]	\$ 32,603				
Total meter equivalents at end of test year - From Table VII, Line [K], Box ⑤	[B]	37				
Base charge per meter equivalent or for each unmetered connection [A]÷[B] and then divide by 12	[C]	\$ 73.44				
Base charge per meter size						
5/8" x 3/4" or unmetered	Multiply [C] by 1	[D]	\$ 73.44	0	0 ⑥	\$ 73.44
3/4"	Multiply [C] by 1.0	[E]	\$		⑥	\$
1"	Multiply [C] by 2.5	[F]	\$		⑥	\$
1 1/2"	Multiply [C] by 5.0	[G]	\$		⑥	\$
2"	Multiply [C] by 8.0	[H]	\$		⑥	\$
3"	Multiply [C] by 15.0	[I]	\$		⑥	\$
4"	Multiply [C] by 25.0	[J]	\$		⑥	\$

⑥ From Table IX. A., Line [D]

## SECTION X - ALTERNATE METHOD OF RATE DESIGN - WATER

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

**Table X. A.**

	Line		
Cost per 1,000 gallons	[A]	\$ 3.00	This is the rate that you think is appropriate Enter in <b>Table X. B., Column ③, Lines [B] through [H]</b>
Total # of 1,000 Gallons billed	[B]	3,037	From <b>Table IX. A., Line [C]</b>
Total Cost to be recovered through gallonage charge	[C]	\$ 9,111	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$ 40,660	From <b>Table VI. A., Line [T] Box ⑤</b>
Total to be recovered through base rate	[E]	\$ 31,549	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]	37	From <b>Table VII, Line [K], Box ⑤</b>
Base rate per meter equivalent	[G]	\$ 71.06	Divide Line [E] by Line [F] & then divide by 12months Enter this in <b>Table X. B, Line [A] Column ①</b>

**Table X. B.**

	Line		# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost added to base	Total base bill per meter size
		①	②	③	④=②*③	⑤=①+④
Base charge per meter equivalent or for each unmetered connection from <b>Table X. A, Line [G]</b>	[A]	\$				
Base rate per meter size						
5/8" x 3/4" or unmetered	Multiply [A] ① by 1	[B]	\$ 71.06	0	0 ⑥	\$ 71.06
3/4"	Multiply [A] ① by 1.0	[C]	\$ 71.06	0	0 ⑥	\$ 71.06
1"	Multiply [A] ① by 2.5	[D]	\$ 177.65	0	0 ⑥	\$ 177.65
1 1/2"	Multiply [A] ① by 5.0	[E]	\$ 355.30	0	0 ⑥	\$ 355.30
2"	Multiply [A] ① by 8.0	[F]	\$ 568.48	0	0 ⑥	\$ 568.48
3"	Multiply [A] ① by 15.0	[G]	\$1065.90	0	0 ⑥	\$ 1065.90
4"	Multiply [A] ① by 25.0	[G]	\$1776.50	0	0 ⑥	\$ 1776.50
6"	Multiply [A] ① by 50.0	[H]	\$3553.00	0	0 ⑥	\$ 3553.00

⑥ From **Table X. A., Line [A]**

**AFFIDAVIT  
FOR WATER  
RATE/TARIFF CHANGE**

**AFFIDAVIT**

STATE OF TEXAS

COUNTY OF Burnet

I, Brent Taylor, being duly sworn, file this NOTICE OF PROPOSED RATE CHANGE as President of SA Water (indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are true and correct.

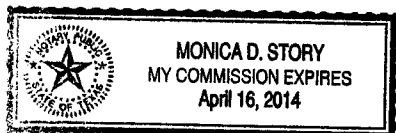
I further represent that a copy of the attached notice was provided by Mail to each customer or other affected party on or about **October 5, 2011**.  
(mail or hand delivery)

Brent Taylor  
Affiant (Utility's Authorized Representative)

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

Subscribed and sworn to before me this the 4th day of October, 20 11, to certify which witness my hand and seal of office.

SEAL



Monica D. Story  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
Monica D Story  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 4/16/14

**NOTICE OF RATE/TARIFF CHANGE  
TO BE PROVIDED TO CUSTOMERS**

# NOTICE OF PROPOSED RATE CHANGE

## S H WATER SUPPLY CORPORATION

13033

Company Name

CCN Number

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

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

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

### Spice Wood Estates (PWS #0270118)

#### Subdivisions or Systems Affected by Rate Change

<b>P.O. Box 502</b>	<b>Spicewood</b>	<b>Texas</b>	<b>78669</b>	<b>512-461-0806</b>
Company Address	City	State	Zip	Telephone
<b>\$ 23,800</b>			<b>October 5, 2011</b>	
Annual Revenue Increase			Date Customer Notice Mailed	
<b>October 3, 2002</b>			<b>Last week of the month</b>	
Date of Last Rate Change			Date Meters Typically Read	

**EFFECTIVE DATE OF PROPOSED INCREASE:** December 5, 2011

### BILLING COMPARISON

Water:	Existing	10,000 gallons:	<u>\$ 46.00 /mo</u>	Existing	30,000 gallons:	<u>\$ 126.00 /mo</u>
	Proposed	10,000 gallons:	<u>\$ 101.00 /mo</u>	Proposed	30,000 gallons:	<u>\$ 186.00 /mo</u>

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

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

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



<u>CURRENT RATES</u>		PROPOSED RATES	
Monthly base rate including <u>3,000</u> gallons		Monthly base rate including <u>0</u> gallons	
Meter Size:		Meter Size:	
5/8" or 3/4"	\$ <b>25.00</b>	5/8" or 3/4"	\$ <b>71.00</b>
		1"	\$ <b>177.50</b>
		1½"	\$ <b>355.00</b>
		2"	\$ <b>568.00</b>
		3"	\$ <b>1,065.00</b>
		4"	\$ <b>1,775.00</b>
		Other: <u>6</u> "	\$ <b>3,550.00</b>
Gallonage Charge:		Gallonage Charge:	
\$ <u>3.00</u> for each 1000 gallons over the minimum to 10,000 gallons		\$ <u>3.00</u> for each 1000 gallons for zero to 10,000 gallons	
\$ <u>4.00</u> for each 1000 gallons over 10,000 gallons		\$ <u>4.00</u> for each 1000 gallons over 10,000 gallons to 25,000 gallons	
		\$ <u>5.00</u> for each 1000 gallons over 25,000 gallons	
<u>Miscellaneous Fees</u>		<u>Miscellaneous Fees</u>	
Tap fee	\$ <b>450.00</b>	Tap fee	\$ <b>650.00</b>
Reconnect fee: Non-payment (Maximum - \$25.00)	\$ <b>25.00</b>	Reconnect fee: Non-payment (Maximum - \$25.00)	\$ <b>25.00</b>
Customer's request	\$ <b>N/A</b>	Customer's request	\$ <b>50.00</b>
Transfer fee	\$ <b>25.00</b>	Transfer fee	\$ <b>50.00</b>
Late charge	\$ <b>5.00</b>	Late charge ( <b>Indicate either \$5.00 or 10%</b> )	<b>10%</b>
Returned check charge	\$ <b>25.00</b>	Returned check charge	\$ <b>50.00</b>
Deposit	\$ <b>N/A</b>	Deposit ( <b>Maximum \$50.00</b> )	\$ <b>50.00</b>
Meter test fee	\$ <b>25.00</b>	Meter test fee	\$ <b>25.00</b>

Pass Through Adjustment Clause:

The utility's cost attributed to annual fee, pumpage fee and/or consumption-based fee from any groundwater conservation authority and/or other such governmental authority shall be passed through to all customers affected by such fee using the following calculations:

Annual Fee: Monthly minimum charge + (Annual Fee / Number of Customers affected) / 12 months

Volume Charge: Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage fee X 1.15)

To implement or modify the Pass through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

# **WATER TARIFF PAGES**