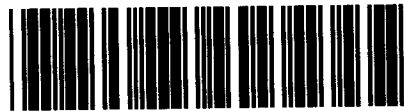




Control Number: 43890



Item Number: 11

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

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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: Texas Water Systems, Inc.  
(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>1092275</u>
<input type="checkbox"/>	Sub Chapter-S Corporation
<input type="checkbox"/>	Other: _____

Utility Address: 7891 Hwy 271 Tyler TX 75708  
Street Address or Location City State Zip Code

County(ies) where services are provided: Smith, Gregg, Henderson, & CCN  
Upshur Number(s): 12473

Contact  
Person: Glenn E. Trimble Telephone Number: (903) 595-2128

Position: President Fax Number: (903) 526-0076

Address: 7891 Hwy 271 Tyler TX 75708  
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: **See Attachment #1**

Comptroller of Public Accounts, Office Management  
P. O. Box 13528  
Austin, Texas 78711  
1-800-252-5555  
or  
<http://ecpa.cpa.state.tx.us/coa/coaStart.html>

**SECTION IB - MISCELLANEOUS INFORMATION**

A. How often and on what dates are water meters typically read? 2<sup>nd</sup> – 9<sup>th</sup> of each month

B. When are bills typically sent out? 10<sup>th</sup> of each month

C. Do you serve customers within the corporate limits of a municipality? If No, Go to D. Yes ☒ No

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

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

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

☒ 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?

☒ Yes ☐ No

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

System Name	TCEQ PWS ID #	County	Rate Increase Applicable?
<b>See Attachment #2</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 #3**

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>N/A</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:

**See Contract Services**

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:

TWS Management Inc.

Relationship to owner: This Corporation also wholly owned by TWS Holdings, Inc.

Short job description:

**See Attachment #4**

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

**See Attachment #4**Amount paid for services: **Attachment #4**

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

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

Certified Operator's Name/ Classification

Certified Operator's Name/Classification

**See Attachment #4**

# 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]
See Attachment #5				€
				€
				€
				€
				€

- Attach additional sheet(s) if necessary -

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

**B. ORIGINAL COST & DEPRECIATION SCHEDULE - WATER**

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

**Table III. B.**

[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 ≅	Mos ≈	Days ≈≈			
<b>See Attachment #6</b>										
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								€	€	£

\* TNRCC Suggested Service Life \*\* Other Service Life

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

△ 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.)
See Attachment #7				
Total				€

€ 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? 472,326.24 Enter also in **Table IV. D., Box Z** 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 V** 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 ☒ NO

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

D. NOTES PAYABLE - VOTER

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 - End of Test Year	[F] Interest Rate	[G] Weighted Average [E]) ®*[F]
Part 1 - Debt						
Joseph Z. Ornelas	6/2003	6/2013	\$ 18,000.00	\$ 11,205.20	6.0%	.14%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
			\$	\$	%	%
Total			\$18,000.00 €	\$ 11,205.20 €		.14%©
Part 2 - Investment/Equity						
				\$ 472,326.24 ∠	12%▽	11.72%™
Total Debt & Equity				\$ 483,531.44 ®		
					Rate of Return:	11.86%[]

€ Total amount of original loans

€ Total amount of the outstanding balance on the loans

∠ Equity in the utility - From **Section IV. A.**

▽ Return on Equity - From **Section IV. B.**

® Total of € + ∠

© Total weighted average of debt - To **Table V, Line [C]**

™ Weighted average of Investment/Equity ∠) ®\*▽

[] Sum of © + ™ - To **Table IV. E., Line [G]**

E.

## INVESTED CAPITAL RETURN - WATER

Table IV. E.

Net Book Value - From <b>Table III. B., Box €</b>	[A]	\$948,959.59
Working cash allowance - (Amount From <b>Table VI. A., Line [L] Column ∠, Box ™ ( ) 8</b> )	[B]	\$34,409.75
Materials and supplies	[C]	\$0
Subtotal - Sum of [A] thru [C]	[D]	\$983,369.34
Developer Contributions - From <b>Table III. C., Box €</b>	[E]	\$96,206.62
Total invested capital [D] - [E]	[F]	\$887,162.72
Rate of return - From <b>Table IV. D., Box II</b>	[G]	11.86%
<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 <b>Table V., Line [A] and Table VI. A., Line [Q], Column €</b>	[H]	\$105,217.50

## 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 <b>Table IV. E., Line [H]</b>	[A]	\$105,217.50
Interest Calculation		
Total Invested Capital - From <b>Table IV. E., Line [F]</b>	[B]	\$887,162.72
Weighted Cost of Debt Capital - Percentage From <b>Table IV. D., Box ©</b>	[C]	.14%
Interest [B]*[C]	[D]	\$1,242.03
Taxable Income [A] - [D]	[E]	\$103,975.47
Enter Income Tax from Tax Table ( <b>Appendix A</b> )	[F]	\$37,431.17 €

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

# 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 <u>1 / 1 / 07</u> to <u>12 / 31 / 07</u>		Line	12 Month "test year" per books	Known and Measurable Changes	Revenue Requirement for next yr	% of $\angle$ that is fixed ( <b>Note 1</b> )		Fixed Expenses ( <b>Note 1</b> )	Variable Expenses ( <b>Note 1</b> )
						Rec.	Act.		
			€	€	$\angle = \epsilon + \phi$	V		$\phi = (\angle * V) / 100$	$\phi = \angle - \phi$
Salaries and Wages		[A]				50			
Contract Labor		[B]	125,296.00	8,400.00	133,696.00	90		120,326.40	13,369.60
Purchased water		[C]				0			
Chemicals for treatment		[D]	8,958.88	3,000.00	11,958.88	0			11,958.88
Utilities (electricity)		[E]	31,290.59	2,503.25	33,793.84	0			33,793.84
Repairs/maintenance/supplies		[F]	68,294.69	3,414.73	71,709.42	50		35,854.71	35,854.71
Office expenses		[G]	8,635.74		8,635.74	50		4,317.87	4,317.87
Accounting & Legal fees		[H]	7,369.26		7,369.26	100		7,369.26	
Insurance		[I]				100			
Rate case expense		[J]				100			
Miscellaneous		[K]	914.84	7,200.00	8,114.84	50		4,057.42	4,057.42
<b>Subtotal - Sum of Line [A] thru Line [K]</b>		[L]	<b>250,760.00</b>	<b>24,517.98</b>	<b>275,277.98<sup>TM</sup></b>			<b>171,925.66</b>	<b>103,352.32</b>
Payroll Taxes		[M]				50			
Property and other taxes		[N]	6,750.43	4,400.00	11,150.43	100		11,150.43	
Annual Depreciation and Amortization - From Table III. B.		[O]	41,628.85		41,628.85	100		41,628.85	
Income Taxes - From Table V, Line [F]		[P]		37,431.17	37,431.17	100		37,431.17	
Return - From Table IV. E., Line [H]		[Q]		105,217.50	105,217.50	100		105,217.50	
<b>Subtotal - Sum of Line [L] thru Line [Q]</b>		[R]	<b>299,139.28</b>	<b>171,566.65</b>	<b>470,705.93</b>			<b>367,353.61</b>	<b>103,352.32</b>
Other Revenues		[S]	9,390.00		9,390.00	100		9,390.00	
<b>Total Cost = Line [R] - Line [S]</b>		[T]	<b>289,749.28</b>	<b>171,566.65</b>	<b>461,315.93<sup>II</sup></b>			<b>357,963.61<sup>II</sup></b>	<b>103,352.32</b>
<b>Alternative Allocation between Fixed and Variable</b>		[U]	<b>289,749.28</b>	<b>171,566.65</b>	<b>461,315.93<sup>II</sup></b>	67		<b>357,963.61<sup>II</sup></b>	<b>103,352.32</b>

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 #8

-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 €	End of period €	Equivalency Factor ∠	Meter Equivalents ∇=€*∠
Non-Metered Connections:					
Residential	[A]			1	
Commercial	[B]			1	
Standby	[C]			1	
Metered Connections:					
5/8" x 3/4"	[D]	574	611	1	611
3/4"	[E]	2	36	1.5	54
1"	[F]	60	24	2.5	60
1-1/2"	[G]	1	2	5	10
2"	[H]			8	
3"	[I]			15	
Other:	[J]				
Total	[K]	637	673		735®

® 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]	61,487,050	gallons
Total number of gallons purchased from another source for sale to customers (if any)	[B]	0	gallons
Total number of gallons provided to customers <b>[C]=[A]+[B]</b>	[C]	<b>61,487,050</b>	gallons
Total number of gallons billed to your customers (total customer consumption)	[D]	<b>54,307,000</b>	gallons
System losses: $\frac{([C] - [D])}{[C]} \times 100\% = [E]$	[E]	<b>12</b>	%
Source of Purchased water			

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

SECTION IX - RATE DESIGN - WATER

A. VARIABLE RATE CALCULATIONS

Table IX. A.

	Line		Instructions
Total Variable Costs	[A]	\$103,352.32	From Table VI. A., Line [T], Box · or Line [U], Box ·
Total # of Gallons Billed to Customers	[B]	54,307,000	From Table VIII, Line [B]
Total # of 1,000 Gallons billed	[C]	54,307	Divide Line [B] by 1,000
Variable Cost per 1,000 gallons	[D]	\$1.90	Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ©

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
		€	¢	∠	∇=¢*∠	®=€+∇
Total fixed costs - From Table VI. A., Line [T], Box √ or Line [U], Box ·	[A]	\$ 359,347.03				
Total meter equivalents at end of test year - From Table VII, Line [K], Box ®	[B]	735				
Base charge per meter equivalent or for each unmetered connection [A])[B] and then divide by 12	[C]	\$40.74				
Base charge per meter size						
e" x : " or unmetered	[D]	40.74	1	1.90©	1.90	42.64
: "	[E]	61.11	1	1.90©	1.90	63.01
1"	[F]	101.85	1	1.90©	1.90	103.75
12"	[G]	203.70	1	1.90©	1.90	205.60
2"	[H]	325.92	1	1.90©	1.90	327.82
3"	[I]	611.10	1	1.90©	1.90	613.00
Other:	[J]			©		

© 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]	\$ 2.30	This is the rate that you think is appropriate Enter in <b>Table X. B., Column ∠, Lines [B] through [H]</b>
Total # of 1,000 Gallons billed	[B]	54,307	From <b>Table IX. A., Line [C]</b>
Total Cost to be recovered through gallonage charge	[C]	\$124,906.10	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$462,699.01	From <b>Table VI. A., Line [T] Box II</b>
Total to be recovered through base rate	[E]	\$337,792.91	Subtract Line [C] from Line [D]
Total number of meter equivalents	[F]	735	From <b>Table VII, Line [K], Box ®</b>
Base rate per meter equivalent	[G]	\$38.30	Divide Line [E] by Line [F] & then divide by 12months Enter this in <b>Table X. B., Line [A] Column €</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
		€	ℳ	∠	∇=€*∠	®=€+∇
Base charge per meter equivalent or for each unmetered connection From <b>Table X. A, Line [G]</b>	[A]	\$38.30				
Base rate per meter size						
5/8" x 3/4" or unmetered	[B]	38.30	1	2.30©	2.30	40.60
3/4"	[C]	57.45	1	2.30©	2.30	59.75
1"	[D]	95.75	1	2.30©	2.30	98.05
1-1/2"	[E]	191.50	1	2.30©	2.30	193.80
2"	[F]	306.40	1	2.30©	2.30	308.70
3"	[G]	574.50	1	2.30©	2.30	576.80
Other:	[H]			©		

© From **Table X. A., Line [A]**

**AFFIDAVIT**

**WATER &/OR SEWER**

**RATE/TARIFF CHANGE**

AFFIDAVIT

STATE OF TEXAS

COUNTY OF SMITH

I, Glenn E. Trimble, being duly sworn, file this NOTICE OF PROPOSED RATE CHANGE as President; 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  
(mail or hand delivery)  
each customer or other affected party on or about September 30, 20 08.

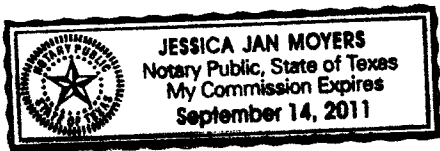
Glenn E. Trimble  
Affiant (Utility's Authorized Representative)

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 24<sup>th</sup> day of September, 20 08, to certify which witness my hand and seal of office.

Jessica J. Moyers  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
Jessica J. Moyers  
PRINT OR TYPE NAME OF NOTARY  
MY COMMISSION EXPIRES 9/14/11

SEAL



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

**NOTICE OF PROPOSED RATE CHANGE**  
Texas Water Systems, Inc.

12473

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:

Cape Tranquility, Mt. Sylvan, Country Club, Friendship, Rosewood, Stallion Lake, Garden Valley

Subdivisions or Systems Affected by Rate Change

7891 US Highway 271	Tyler	TX	75708	903-595-2128
Company Address	City	State	Zip	Telephone
\$55,680.00				
Annual Revenue Increase				Date Customer Notice Mailed
July 6 <sup>th</sup> , 2006				2 <sup>nd</sup> to 9 <sup>th</sup> of each month
Date of Last Rate Change				Date Meters Typically Read

**EFFECTIVE DATE OF PROPOSED INCREASE:** December 2nd, 2008

**BILLING COMPARISON**

Water:	Existing	10,000 gallons:	<u>\$ 49.20 /mo</u>	Existing	30,000 gallons:	<u>\$ 95.20 /mo</u>
	Proposed	10,000 gallons:	<u>\$ 55.60 /mo</u>	Proposed	30,000 gallons:	<u>\$101.60 /mo</u>
Sewer:	Existing	10,000 gallons:	<u>\$ N/A /mo</u>	Proposed	30,000 gallons:	<u>\$ N/A /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.

CURRENT RATESMonthly base rate including 1000 gallons

Meter Size:

Residential

5/8" or 3/4"	\$28.50
3/4" Full port	\$28.50
1"	\$45.28
1-1/2"	\$144.90
2"	\$230.46
3"	\$430.10

Gallonge Charge:

\$2.30 for each additional 1000 gallons over the minimumMiscellaneous Fees

Tap fee	\$750.00
Reconnection fee	\$25.00
Non-payment (Maximum - \$25.00)	\$25.00
Customer's request	\$15.00
Transfer fee	\$20.00
Late charge	\$4.00
Returned check charge	\$15.00
Deposit	\$50.00
Meter test fee	\$25.00

PROPOSED RATESMonthly base rate including 1000 gallons

Meter Size:

Residential

5/8" or 3/4"	\$34.90
3/4" Full port	\$53.25
1"	\$87.25
1-1/2"	\$174.50
2"	\$279.20
3"	\$523.50

Gallonge Charge:

\$2.30 for each additional 1000 gallons over the minimumMiscellaneous Fees

Tap fee	\$800.00
Reconnection fee	\$25.00
Non-payment (Maximum - \$25.00)	\$25.00
Customer's request	\$40.00
Transfer fee	\$30.00
Late charge <b>(Indicate either \$5.00 or 10%)</b>	\$4.00
Returned check charge	\$25.00
Deposit (Maximum \$50.00)	\$50.00
Meter test fee	\$ 25.00

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

**NOTICE OF PROPOSED RATE CHANGE**

Texas Water Systems, Inc.

12473

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:

Pertains to Garden Acres

## Subdivisions or Systems Affected by Rate Change

7891 US Highway 271

Tyler

TX

75708

903-595-2128

Company Address

City

State

Zip

Telephone

\$17,645.00

Annual Revenue Increase

Date Customer Notice Mailed

July 6<sup>th</sup>, 20062<sup>nd</sup> to 9<sup>th</sup> of each month

Date of Last Rate Change

Date Meters Typically Read

**EFFECTIVE DATE OF PROPOSED INCREASE:** December 2nd, 2008**BILLING COMPARISON**

Water:	Existing	10,000 gallons:	\$ 23.20	/mo	Existing	30,000 gallons:	\$ 51.20	/mo
	Proposed	10,000 gallons:	\$ 55.60	/mo	Proposed	30,000 gallons:	\$101.60	/mo
Sewer:	Existing	10,000 gallons:	\$ N/A	/mo	Proposed	30,000 gallons:	\$ N/A	/mo

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.

Garden Acres CURRENT RATESMonthly base rate including 2000 gallons

Meter Size:

Residential

5/8" or 3/4"	\$12.00
3/4" Full port	\$
1"	\$
1-1/2"	\$
2"	\$
3"	\$

Gallonge Charge:

\$1.40 for each additional 1000 gallons over the minimum

Miscellaneous Fees

Tap fee	\$400.00
Reconnection fee	\$25.00
Non-payment (Maximum - \$25.00)	\$25.00
Customer's request	\$10.00
Transfer fee	\$20.00
Late charge	\$5.00
Returned check charge	\$15.00
Deposit	\$50.00
Meter test fee	\$25.00

PROPOSED RATESMonthly base rate including 1000 gallons

Meter Size:

Residential

5/8" or 3/4"	\$34.90
3/4" Full port	\$53.25
1"	\$87.25
1-1/2"	\$174.50
2"	\$279.20
3"	\$523.50

Gallonge Charge:

\$2.30 for each additional 1000 gallons over the minimum

Miscellaneous Fees

Tap fee	\$800.00
Reconnection fee	\$25.00
Non-payment (Maximum - \$25.00)	\$25.00
Customer's request	\$40.00
Transfer fee	\$30.00
Late charge (Indicate either \$5.00 or 10%)	\$4.00
Returned check charge	\$25.00
Deposit (Maximum \$50.00)	\$50.00
Meter test fee	\$ 25.00

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

## **WATER & SEWER TARIFF PAGES**

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including 1000 gallons

Meter Size:

Residential

5/8" x 3/4"	<u>\$34.90</u>
3/4" Full port	<u>\$53.25</u>
1"	<u>\$87.25</u>
1-1/2"	<u>\$174.50</u>
2"	<u>\$279.20</u>
3"	<u>\$523.50</u>

Gallorage Charge: \$ 2.30 for each additional 1000 gallons over the minimum

Regulatory Assessment Fee .....1%

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$ 800.00

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

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00).....\$ 25.00
- b) Customer's request.....\$ 40.00
- Or other reasons listed under Section 20CF of this tariff

TRANSFER FEE .....\$ 30.00

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

LATE CHARGE (Not more than \$5.00 or 10%)(Indicate one) .....\$ 4.00

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

RETURNED CHECK CHARGE.....\$ 25.00

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

METER TEST FEE (actual cost of testing the meter up to).....\$ 25.00

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

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