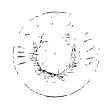
NOTICE OF PROPOSED RATE CHANGE -WATER (Cont.)

Garden Acres CURRENT RATES		PROPOSED RATES	
Monthly base rate including 2000 gallons		Monthly base rate including 1000 gallons	
Meter Size:		Meter Size:	
Residential		Residential	
5/8" or 3/4"	\$12.00	5/8" or 3/4"	\$34.90
3/4" Full port	\$	3/4" Full port	\$53.25
1"	\$	1"	\$87.25
1-1/2"	\$	1-1/2"	\$174.50
2"	\$	2"	\$279.20
3"	\$	3"	\$523.50
Gallonage Charge:		Gallonage Charge:	
\$ <u>1.40</u> for each additional 1000 gallons over the minimum		\$ <u>2.30</u> for each additional 1000 gallons over the minimum	
Miscellaneous Fees		Miscellaneous Fees	
Tap fee	\$400.00	Tap fee	# 000 00
Reconnection fee			\$800.00
Reconnection fee		Reconnection fee	\$800.00
Non-payment (Maximum - \$25.00)	\$25.00	Reconnection fee Non-payment (Maximum - \$25.00)	\$25.00
Non-payment	\$25.00 \$10.00	Non-payment	
Non-payment (Maximum - \$25.00)		Non-payment (Maximum - \$25.00)	\$25.00
Non-payment (Maximum - \$25.00) Customer's request	\$10.00	Non-payment (Maximum - \$25.00) Customer's request	\$25.00 \$40.00
Non-payment (Maximum - \$25.00) Customer's request Transfer fee	\$10.00 \$0	Non-payment (Maximum - \$25.00) Customer's request Transfer fee Late charge (Indicate	\$25.00 \$40.00 \$30.00
Non-payment (Maximum - \$25.00) Customer's request Transfer fee Late charge	\$10.00 \$0 \$5.00	Non-payment (Maximum - \$25.00) Customer's request Transfer fee Late charge (Indicate either \$5.00 or 10%)	\$25.00 \$40.00 \$30.00 \$4.00

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

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 8, 2008

Mr. Glenn E. Trimble, President Texas Water Systems, Inc. 7891 Hwy 271 Tyler, Texas 75708

NOTICE OF DEFICIENCY

Re: Water Rate/Tariff Change Application of Texas Water Systems, Inc., Certificate of Convenience and Necessity No. 12473 in Smith, Gregg, Henderson, & Upshur Counties; Application No. 36195-R

CN: 600629893; RN: 101450484

Dear Mr. Trimble:

The Texas Commission on Environmental Quality (TCEQ) received the above referenced application on September 30, 2008. The application has not been accepted for filing, but has been assigned Application No. 36195-R. Please refer to this number in future correspondence.

Based on an administrative review of your application package, it appears that your notice to customers contains some errors and deficiencies. To continue with the processing of your application, you must complete and revise the following portions of the notice:

- 1. The date customer notice mailed was not indicated in your notice to Cape Tranquility, Mt. Sylvan, etc., and Garden Acres as well. The date should be indicated in both notices.
- 2. On page 2 of the notice to customers, delete the amount for the Reconnection fee of \$25.00 for both current and proposed rates, this is only a caption.
- 3. The approved Current Reconnection Fee Customer's Request for Cape Tranquility, Mt. Sylvan, etc.. should be \$25.00 and not \$15.00.
- 4. The Current Transfer Fee is \$15.00 and not \$20.00.
- 5. For the notice to customers of Garden Acres, the Transfer Fee is 0 not \$20.00.



CURRENT RATES

PROPOSED RATES

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Monthly base rate including 1000 gallons		Monthly base rate including <u>1000</u> gallons		
Meter Size:		Meter Size:		
Residential		Residential		
5/8" or 3/4"	\$28.50	5/8" or 3/4"	\$34.90	
3/4" Full port	\$28.50	3/4" Full port	\$53.25	
1"	\$45.28	1"	\$87.25	
1-1/2"	\$144.90	1-1/2"	\$174.50	
2"	\$230.46	2"	\$279.20	
3"	\$430.10	3"	\$523.50	
Gallonage Charge:		Gallonage Charge:		
\$ <u>2.30</u> for each additional 1000 gallons over the minimum		\$ <u>2.30</u> for each additional 1000 gallons over the minimum		
Miscellaneous Fees		Miscellaneous Fees		
Tap fee	\$750.00	Tap fee	\$800.00	
Reconnection fee				
	\$25.00	Reconnection fee	\$25.00	
Non-payment	\$25.00 \$25.00	Reconnection fee Non-payment (Maximum - \$25.00)	\$25.00 \$25.00	
Non-payment (Maximum - \$25.00)		Non-payment		
Non-payment (Maximum - \$25.00) Customer's request	\$25.00	Non-payment (Maximum - \$25.00)	\$25.00	
Non-payment (Maximum - \$25.00)	\$25.00 \$15.00	Non-payment (Maximum - \$25.00) Customer's request	\$25.00 \$40.00	
Non-payment (Maximum - \$25.00) Customer's request Transfer fee Late charge	\$25.00 \$15.00 \$20.00	Non-payment (Maximum - \$25.00) Customer's request Transfer fee Late charge (Indicate	\$25.00 \$40.00 \$30.00	
Non-payment (Maximum - \$25.00) Customer's request Transfer fee	\$25.00 \$15.00 \$20.00 \$4.00	Non-payment (Maximum - \$25.00) Customer's request Transfer fee Late charge (Indicate either \$5.00 or 10%)	\$25.00 \$40.00 \$30.00 \$4.00	
Non-payment (Maximum - \$25.00) Customer's request Transfer fee Late charge Returned check charge	\$25.00 \$15.00 \$20.00 \$4.00 \$15.00	Non-payment (Maximum - \$25.00) Customer's request Transfer fee Late charge (Indicate either \$5.00 or 10%) Returned check charge Deposit	\$25.00 \$40.00 \$30.00 \$4.00 \$25.00	

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

ATTACHMENT 9 COMMENT ON UNIFORM RATE

This application continues the practice by Texas Water Systems of providing a uniform rate structure for all of its systems. The reasons this is appropriate are as follows:

- 1. All systems are ground water systems with well sizes under 8", fitted with submersible pumps 15 H.P. or less.
- 2. All have common treatment by simple chlorination excepted by only two plants which are additionally supplemented by simple caustic feed for P.H. adjustment.
- 3. All plant designs are similar with standard alternating service pump arrangements, with pump sizes 20 H.P. and less.
- 4. All distribution systems are similar, built with 2" to 6" PVC class pipe with reasonable proportion of main length to system population.
- 5. All have similar customer bases which are almost completely residential, and no heavy commercial or industrial consumers to affect demand on facilities.
- 6. None of the systems offer fire flows.
- 7. All are served by an operating and management company on a per tap basis for remuneration and all are similar distances from that company's base. Distances range from 18 miles minimum to 35 miles maximum.
- 8. A non-uniform rate structure would add operating costs to the customers by the additional weight of requiring specific expense data recording by the operators in the field, slowing operating efficiency; and the added burden of accounting load and formulating rates for 8 fiscal entities instead of one.