INSIDE-CITY CUSTOMERS

NOTICE TO RATEPAYERS WHO RECEIVE SERVICE FROM AQUA TEXAS

AT A LOCATION THAT IS INSIDE OF THE CORPORATE LIMITS OF A MUNICIPALITY

If you are an Aqua Texas water ratepayer who receives retail water utility service from Aqua Texas at a location inside the corporate limits of a municipality, your municipality has original ratemaking jurisdiction over your rates. A rate/tariff change application has been filed with the appropriate representative of all North Region Cities in which Aqua Texas is aware that active metered Aqua Texas water connections currently exist. However, recent annexations may have brought additional connections within a City's corporate limits. If your connection is inside the corporate limits of a municipality, and you do not see your municipality identified below, please contact Aqua Texas immediately. This rate increase still applies to you. Unless protests are received from 10 percent of the affected ratepayers or the City Staff requests a hearing, no hearing may be held. Please contact your municipality directly for information on any specific procedures for processing rate/tariff change applications it may have.

As with Aqua Texas' other North Region water ratepayers, the proposed rates will apply to all retail water utility service rendered after the effective date of February 21, 2012 and will be reflected on the first water bill you receive after the effective date. The first water bill you receive after the effective date will be prorated to apply the proposed rates to service during those days in the billing cycle when the proposed rates were in effect. All bills received thereafter will be calculated using only the proposed rates.

In the event that the application is set for hearing, the specific rates requested by Aqua Texas may be decreased or increased by order of the City. If the City orders a lower rate to be set, Aqua Texas 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 Aqua Texas' office at 9450 Silver Creek, Fort Worth, Texas or at the appropriate City office identified below.

All protests and hearing requests from Aqua Texas ratepayers with water service connections located inside the corporate limits of a municipality must be filed with the appropriate City Representative as directed by each municipality. The municipalities below have informed Aqua Texas that their appropriate City Representatives for receipt of protests and hearing requests are as follows:

City of Brazos Bend

Send protests to: Mr. Donald Walton, City Secretary
City of Brazos Bend
1905 Canaveral Ct.
Brazos Bend, Texas 76048

City of Buffalo Gap

Send protests to: The Honorable David Perry, Mayor
City of Buffalo Gap
P. O. Box 506
Buffalo Gap, Texas 79508

City of Granbury

Send protests to: Mr. Ron Berryman, City Manager
City of Granbury
P.O. Box 969
Granbury, Texas 76048

Town of Lakewood Village

Send protests to: Ms. Linda Asbell, City Secretary
Town of Lakewood Village
100 Highridge Drive
Lakewood Village, Texas 75068

City of Rhome

Send protests to: Ms. Ramah Burns, City Secretary
City of Rhome
P.O. Box 228
Rhome, Texas 76078

City of Shady Shores

Send protests to: Ms. Wendy Withers, City Secretary
City of Shady Shores
P.O. Box 362
Lake Dallas, Texas 75065

City of Waco

Send protests to: Ms. Patricia Ervin, City Secretary
City of Waco
P.O. Box 2570
Waco, Texas 76702-2570

OVERVIEW OF NORTH REGION WATER RATE CHANGE REQUEST

Aqua Texas is proposing the following specific changes to its North Region Water Tariff:

TERMS & CONDITIONS OF SERVICE

Aqua Texas proposes to make changes to its existing state-approved terms and conditions of service contained in its tariffs applicable to nearly all its North Region water systems. Customers are encouraged to view these changes in the tariff included in the rate change application available for public inspection in the company's business offices and at the offices of the appropriate regulatory authority (*i.e.*, TCEQ; Municipality).

NORTH REGION (General WATER Tariff)

RATE SCHEDULE CHANGES

Aqua Texas is proposing rate schedule changes that will affect nearly all its North Region water ratepayers. A list of Aqua Texas' current North Region water systems affected by this application, identified numerically by TCEQ Public Drinking Water System ("PWS") Identification Number, is provided in this Notice. The PWS number may be found in the upper right corner of your monthly bill below your account number. System names as registered with TCEQ and the areas served may not match in all instances, but Aqua Texas is providing a list of its systems, with corresponding subdivisions and service areas, located in its North Region in an effort to further inform customers which Aqua Texas system provides each customer's service. Currently, Aqua Texas has North Region ratepayers located in Anderson, Bosque, Camp, Cherokee, Cooke, Denton, Erath, Grayson, Gregg, Henderson, Hood, Hunt, Johnson, Marion, McLennan, Parker, Rockwall, Smith, Somervell, Tarrant, Taylor, Wise and Wood Counties, Texas, but additional service territories in Aqua Texas' North Region may be added in the future. With this application, Rockwall County ratepayers are being removed from Aqua Texas' North Region.

To review Aqua Texas' proposed rate schedule changes, please review the following information applicable to your system or subdivision:

1. The list of water systems and subdivisions/service areas provided on pages 5-9;
2. Billing comparisons for the current and the new proposed rates on pages 10-27; and
3. Other proposed changes to certain rate provisions on pages 28-31.

There is a bill comparison showing the typical monthly charge at the current rates and the monthly charge at proposed rates assuming that a customer uses 5,000 gallons, 10,000 gallons or 30,000 gallons per month. TCEQ rules require a comparison of usage at 10,000 and 30,000 gallons per month, but Aqua Texas is also providing a comparison at 5,000 gallons since most Aqua Texas customers use less than 10,000 gallons per month. These comparisons do not necessarily represent the amount of water a typical Aqua Texas customer would use in a given month because that amount varies.

Along with the proposed monthly minimum charges and charges per 1,000 gallons used, there is a list of the current and the proposed miscellaneous fees charged in specific instances, such as a new water tap or the fee for reconnecting service, and certain other specific rate clauses.

We have tried to make this notice as clear as possible while complying with all of the rules and regulations governing water utilities. We appreciate you as customers and look forward to providing you with high quality service at the most reasonable rates that we can in the future. You will note that we are proposing separate line item "Charges per 1,000 Gallons Used" so that you can see how much of the rate is dependent on ground water pumping fees, assessments, and purchased water fees.

Please note that Aqua Texas requests a North Region water rate base determination by TCEQ in the rate/tariff change application.

PWS #	TCEQ System Name	Subdivision/Area Served	County	Rate Region
0010038	DOGWOOD HILLS NORTH	DOGWOODS HILLS NORTH UNIT I & II	ANDERSON	North
0010039	DOGWOOD HILLS EAST	DOGWOOD HILLS EAST	ANDERSON	North
0180072	LAME DUCK WATER SYSTEM	LAME DUCK SUBDIVISION	BOSQUE	North
0180082	CHINA SPRINGS RANCHES	CHINA SPRINGS RANCHES	BOSQUE	North
0320015	CHEROKEE POINT	CHEROKEE POINT	CAMP	North
0370052	EAGLES BLUFF	EAGLES BLUFF CEDAR BAY SHELL SHORES	CHEROKEE	North
0490042	FRF WATER SYSTEMS	FRF SUBDIVISION	COOKE	North
0610009	WREN WATER SYSTEM	WREN WATER	DENTON	North
0610084	WOODLAND HILLS	WOODLAND HILLS	DENTON	North
0610099	HIDDEN VALLEY WATER SYSTEM	HIDDEN VALLEY WATER SYSTEM	DENTON	North
0610163	SARATOGA ESTATES	SARATOGA ESTATES	DENTON	North
0610164	FOXBANE COMBINED WS	FOXBANE COMBINED WATER SYSTEM RIGGS PLACE ESTATES DOUBLE TREE ESTATES SAGE MEADOWS PAYTON PLACE	DENTON	North
0610165	SONGBIRD ADDITION	SONGBIRD ADDITION	DENTON	North
0610166	HANDBY ACRES	HANDBY ACRES HANDBY VIEW ESTATES	DENTON	North
0610201	PONDER ACRES WATER SYSTEM	PONDER ACRES WATER SYSTEM	DENTON	North
0610203	TRAIL CREEK WATER SYSTEM	INDIAN TRAIL ADDITION INDIAN TRAILS COLLINGWOOD PROP WASH AVERY RANCH GUY JAMES RANCH	DENTON	North
0610209	CINNAMON RIDGE	CINNAMON RIDGE	DENTON	North
0610210	DOVE HOLLOW WATER SYSTEM	DOVE HOLLOW WATER SYSTEM	DENTON	North
0610212	WILLOW WOOD ADDITION MEADOW VISTA	MEADOW VISTA WILLOW WOOD ADDITION	DENTON	North
0610214	SPANISH OAKS ADDITION	SPANISH OAKS ADDITION	DENTON	North
0610218	SPRING HILL ESTATES	SPRING HILL ESTATES	DENTON	North
0610220	STONY HILLS	STONY HILLS	DENTON	North
0610224	OLD STONY ESTATES	OLD STONY ESTATES	DENTON	North
0610229	SUNNY RANCHES	SUNNY RANCHES	DENTON	North
0610230	HILL COUNTRY WAY ESTATES	HILL COUNTRY WAY ESTATES	DENTON	North
0610233	PONDEROSA RANCH	PONDEROSA RANCH	DENTON	North
0610234	RADECKE ROAD WATER SYSTEM	RADECKE ROAD WATER SYSTEM	DENTON	North
0610236	STONE VALLEY FARM	STONE VALLEY FARM	DENTON	North

PWS #	TCEQ System Name	Subdivision/Area Served	County	Rate Region
0610237	WILLOW SPRINGS ADDITION	WILLOW SPRINGS ADDITION	DENTON	North
0610238	SHALE CREEK COMMUNITY	SHALE CREEK STONE CREEK	DENTON	North
0610247	DROP M ESTATES	DROP M ESTATES	DENTON	North
0720037	MOUNTAIN LAKES ADDITION	MOUNTAIN LAKES ADDITION	ERATH	North
0910139	HERITAGE ESTATES	HERITAGE ESTATES	GRAYSON	North
0920026	FOREST LAKE SUBDIVISION	FOREST LAKE SUBDIVISION FOREST PARK SUBDIVISION	GREGG	North
1070059	LAKE UTILITY CO	LAKE UTILITIES DORSEY ESTATES PENNINSULA POINT TIMBER LAKE ESTATES	HENDERSON	North
1070198	LAKE PALESTINE WATER CO	PARKSIDE SHORES WATER SYSTEM CHEROKEE ESTATES FOREST GROVE SOUTH HOLLY HILLS LAKE POINT ESTATES SUNRISE SHORES TWIN OAKS ESTATES	HENDERSON	North
1070211	PHOENIX WATER WORKS	PHOENIX WATER WORKS	HENDERSON	North
1070233	HIGH POINT WATER CO	HIGH POINT WATER COMPANY	HENDERSON	North
1070247	SAFARI WATER SYSTEM	SAFARI WATER SYSTEM	HENDERSON	North
1110024	ROCK HARBOR ESTATES	ROCK HARBOR ESTATES	HOOD	North
1110026	SANDY BEACH SUBDIVISION	SANDY BEACH SUBDIVISION	HOOD	North
1110027	WHIPPORWILL BAY SUBDIVISION	WHIPPORWILL BAY SUBDIVISION	HOOD	North
1110028	BRAZOS RIVER ACRES	BRAZOS RIVER ACRES	HOOD	North
1110035	MOUNTAIN VIEW SUBDIVISION	MOUNTAIN VIEW SUBDIVISION	HOOD	North
1110045	RIVER COUNTRY ACRES	RIVER COUNTRY ACRES	HOOD	North
1110052	EASTWOOD VILLAGE	EASTWOOD PLAZA EAST PARK	HOOD	North
1110059	LAKE COUNTRY ACRES	LAKE COUNTRY ACRES BIG TIMBER ESTATES	HOOD	North
1110074	NORTH FORK CREEK I	NORTH FORK CREEK I	HOOD	North
1110076	RIVER RUN SUBDIVISION	RIVER RUN	HOOD	North
1110077	SUNSET ACRES MOBILE HOME PARK	SUNSET ACRES MHP	HOOD	North
1110079	BLUE WATER SHORES	BLUE WATER SHORES	HOOD	North
1110080	NOLAN CREEK ESTATES	NOLAN CREEK ESTATES	HOOD	North
1110082	PLAZA EAST	PLAZA EAST	HOOD	North
1110083	HUNTERWOOD SUBDIVISION WATER SYSTEM	HUNTERWOOD SUBDIVISION LAKESIDE HILLS	HOOD	North
1110087	SUNCHASE MEADOWS	SUNCHASE MEADOWS	HOOD	North
1110088	NORTH FORK CREEK II	NORTH FORK CREEK II MEADOWLARK ADDITION	HOOD	North
1110089	COUNTRY MEADOWS SUBDIVISION	COUNTRY MEADOWS SUBDIVISION	HOOD	North

PWS #	TCEQ System Name	Subdivision/Area Served	County	Rate Region
1110094	MIDHAVEN ESTATES	MIDHAVEN ESTATES	HOOD	North
1110112	MALLARD POINTE SUBDIVISION	MALLARD POINTE SUBDIVISION	HOOD	North
1110115	PENINSULA ADDITION	PENINSULA ADDITION	HOOD	North
1110116	BENTWATER ON LAKE GRANBURY	BENTWATER ON LAKE GRANBURY	HOOD	North
1160011	ROCKWALL EAST MINI RANCH	ROCKWALL EAST MINI RANCH	HUNT	North
1160028	HOLIDAY ESTATES WATER	HOLIDAY ESTATES WATER	HUNT	North
1160063	QUINLAN NORTH SUBDIVISION	QUINLAN NORTH SUBDIVISION	HUNT	North
1160064	QUINLAN SOUTH SUBDIVISION	QUINLAN SOUTH SUBDIVISION	HUNT	North
1160066	BARROW SUBDIVISION	BARROW SUBDIVISION	HUNT	North
1160067	CRAZY HORSE SUBDIVISION	CRAZY HORSE SUBDIVISION	HUNT	North
1160079	OAK RIDGE ESTATES	OAK RIDGE ESTATES	HUNT	North
1160093	COUNTRY WOOD ESTATES	COUNTRY WOOD ESTATES M G M ESTATES	HUNT	North
1260010	OAKVIEW FARMS SUBDIVISION	OAKVIEW FARMS SUBDIVISION VILLAGE CREEK ESTATES	JOHNSON	North
1260067	PEACEFUL MEADOWS SUBDIVISION	PEACEFUL MEADOWS SUBDIVISION	JOHNSON	North
1260071	SHADY HILLS ESTATES WATER SYSTEM	SHADY HILLS ESTATES WATER SYSTEM	JOHNSON	North
1260072	SHADY MEADOWS ESTATES	SHADY MEADOWS ESTATES	JOHNSON	North
1260092	GARDEN ACRES	GARDEN ACRES	JOHNSON	North
1260101	WALDEN ESTATES	WALDEN ESTATES WATER CO	JOHNSON	North
1550021	CHINA SPRING WATER CO	CHINA SPRINGS WATER PLANT	MCLENNAN	North
1550049	NORTH COUNTY WATER SUPPLY	NORTH COUNTY WATER SUPPLY	MCLENNAN	North
1550072	WESTERN HILLS WATER SYSTEM	WESTERN HILLS WATER SYSTEM BRETTWOOD ADDITION LAZY ACRES SCHWANN LANE WESTLAKE ADDITION PARK ONE	MCLENNAN	North
1550085	T & A WATER SYSTEM	T&A WATER SYSTEM	MCLENNAN	North
1550089	RIVERCREST WATER CO	RIVERCREST WATER CO	MCLENNAN	North
1550091	SMITH WATER	SMITH WATER COMPANY	MCLENNAN	North
1550113	V L S	V L S	MCLENNAN	North
1550125	TUBBS WATER SYSTEM	TUBBS WATER SYSTEM	MCLENNAN	North
1550126	GOODALL WATER SYSTEM	GOODALL WATER SYSTEM	MCLENNAN	North
1550129	NORTH BOSQUE ESTATES WATER SUPPLY	NORTH BOSQUE ESTATES WATER SUPPLY	MCLENNAN	North
1550130	BEHRINGER WATER SYSTEM	BEHRINGER WATER SYSTEM	MCLENNAN	North
1580016	CRESTWOOD WATER CO	CRESTWOOD WATER COMPANY	MARION	North
1840011	TANGLEWOOD ESTATES	TANGLEWOOD ESTATES	PARKER	North

PWS #	TCEQ System Name	Subdivision/Area Served	County	Rate Region
1840012	LIVE OAK HILLS ADDITION	LIVE OAK HILLS ADDITION	PARKER	North
1840013	ASHCREEK ADDITION	ASHCREEK ACRES REYNOLDS CREEK ESTATES	PARKER	North
1840015	SPRINGTOWN SUBDIVISION	SPRINGTOWN SUBDIVISION	PARKER	North
1840016	LA JUNTA	LA JUNTA ADDITION	PARKER	North
1840017	AGNES SUBDIVISION	AGNES SUBDIVISION	PARKER	North
1840018	LAZY BEND ESTATES	LAZY BEND ESTATES	PARKER	North
1840021	SHANGRI LA SUBDIVISION	WEST FORTY ACRES CANYON COUNTRY CANYON COUNTRY ESTATES AZLE WEST 40 CHERRY VALLEY FARMS CHERRY VALLEY FARMS ADDITION	PARKER	North
1840035	FLAT ROCK ESTATES	FLAT ROCK ESTATES	PARKER	North
1840037	DEER BUTTE SUBDIVISION	DEER BUTTE RANCHOS	PARKER	North
1840038	LAGO LINDO ESTATES	LAGO LINDO ESTATES	PARKER	North
1840047	REMUDA RANCH ESTATES	REMUDA RANCH ESTATES	PARKER	North
1840076	WINDSOR ESTATES	WINDSOR ESTATES	PARKER	North
1840094	KINBROOK ESTATES	KINBROOK ESTATES	PARKER	North
1840098	SANDY ACRES ADDITION	SANDY ACRES ADDITION FOX HOLLOW ADDITION	PARKER	North
1840108	TIMBERCREEK VALLEY	TIMBERCREEK VALLEY UTILITY	PARKER	North
1840130	SADDLE CLUB ESTATES	SADDLE CLUB ESTATES OAKS SUBDIVISION	PARKER	North
1840133	BOLING RANCH ESTATES	BOLING RANCH ESTATES	PARKER	North
1840138	THE WOODLANDS	WOODLANDS OF PARKER COUNTY & OLD BANK	PARKER	North
2120045	ENCHANTED LAKES WATER SYSTEM	ENCHANTED LAKES WATER SYSTEM	SMITH	North
2120077	WWWW WATER SYSTEM	WWWW WATER SYSTEM	SMITH	North
2130021	SQUAW CREEK SUBDIVISION WATER SYSTEM	SQUAW CREEK SUBDIVISION	SOMERVELL	North
2130036	GREENFIELDS ON SQUAW CREEK	GREENFIELD ON SQUAW CREEK	SOMERVELL	North
2200045	COTTONWOOD HILLS ESTATES	COTTONWOOD HILLS ESTATES	TARRANT	North
2200061	LINKWOOD ESTATES SUBDIVISION	LINKWOOD ESTATES SUBDIVISION	TARRANT	North
2200072	SLAY ESTATES	SLAY ESTATES	TARRANT	North
2200100	BLUE MOUND ESTATES	BLUE MOUND ESTATES	TARRANT	North
2200108	SOUTHWOOD ADDITION	SOUTHWOOD ADDITION	TARRANT	North
2200184	AVONDALE HEIGHTS	AVONDALE HEIGHTS	TARRANT	North
2200185	EAGLES NEST	EAGLES NEST	TARRANT	North
2200208	LUNAR LANE WATER SYSTEM	LUNAR LANE WATER SYSTEM OAK GROVE ACRES	TARRANT	North

PWS #	TCEQ System Name	Subdivision/Area Served	County	Rate Region
2200277	SILVER CREEK ESTATES	SILVER CREEK ESTATES	TARRANT	North
2200291	RANCH OAKS SUBDIVISION	RANCH OAKS SUBDIVISION	TARRANT	North
2200326	NORTH RIDGE ESTATES	NORTH RIDGE ESTATES	TARRANT	North
2200329	NORTHFORK ADDITION	NORTHFORK ESTATES NORTHFORK ADDITION	TARRANT	North
2200337	SUN VALLEY ESTATES WATER SUPPLY	SUN VALLEY ESTATES	TARRANT	North
2200338	SAVANNA ESTATES	SAVANNA ESTATES	TARRANT	North
2200341	VAN ZANDT FARMS	VAN ZANDT FARMS	TARRANT	North
2200343	CARSON RANCH	CARSON RANCH	TARRANT	North
2200344	RESORT AT EAGLE MOUNTAIN LAKE	THE RESORT AT EAGLE MOUNTAIN LAKE	TARRANT	North
2200348	PRAIRIE RIDGE ESTATES	PRAIRIE RIDGE ESTATES	TARRANT	North
2210023	GAP WATER	GAP WATER COMPANY	TAYLOR	North
2490013	KILLOUGH ADDITION	KILLOUGH ADDITION	WISE	North
2490030	DECATUR ACRES WATER	DECATUR ACRES	WISE	North
2490031	SINGING MEADOWS SUBDIVISION	SINGING MEADOWS SUBDIVISION	WISE	North
2490032	KINGS REST SUBDIVISION	KINGS REST SUBDIVISION	WISE	North
2490036	OLD CHISOLM ESTATES	OLD CHISOLM ESTATES	WISE	North
2490037	STONEGATE WATER	STONEGATE WATER	WISE	North
2490040	SUNSHINE MEADOWS WATER UTILITY	SUNSHINE MEADOWS WATER UTILITY ALLIANCE ESTATES BYWELL LEXINGTON (HUNTERS GLEN) SUNCHASE HILLS SUNCHASE VILLAGE	WISE	North
2490042	HIGHLAND MEADOWS WATER SYSTEM	HIGHLAND MEADOWS WATER SYSTEM	WISE	North
2490045	STRAWBERRY ESTATES	STRAWBERRY ESTATES	WISE	North
2490047	MESA RIDGE SUBDIVISION	MESA RIDGE SUBDIVISION	WISE	North
2490052	DIAMOND RIDGE	DIAMOND RIDGE	WISE	North
2490056	REATTA ESTATES	REATTA ESTATES	WISE	North
2490057	HIGHLAND HILLS	HIGHLAND HILLS	WISE	North
2490060	CHISHOLM SPRINGS	CHISHOLM SPRINGS	WISE	North
2490077	HAWK RIDGE	HAWK RIDGE	WISE	North
2500017	CLEAR LAKES	CLEAR LAKES SUBDIVISION	WOOD	North

The rate/tariff changes proposed in this application are intended to apply to any retail water utility service area, except that of recently acquired Carrizo Water Corp Forest Grove/Blue Water Key Water System (PWS ID No. 1070074), certificated under CCN Nos. 11157, 12902 and A1943 in Anderson, Bosque, Camp, Cherokee, Cooke, Denton, Erath, Grayson, Gregg, Henderson, Hood, Hunt, Johnson, Marion, McLennan, Parker, Smith, Somervell, Tarrant, Taylor, Wise and Wood Counties, Texas, and all other Texas Counties established as part of Aqua Texas' North Region in its last state-wide rate case filed in 2004 except its service area in Rockwall County. Additionally, the changes are intended to apply to any Aqua Texas service areas adjacent to the aforementioned certificated areas.

NORTH REGION WATER (GENERAL)
APPLIES TO ALL CUSTOMERS NOT INCLUDED IN THE INDIVIDUAL CHARTS BELOW
BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	North Region Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	North Region Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" x ¾"	$53.24	$69.59	$134.99	$69.50	$90.94	$194.21
1"	$108.58	$124.93	$190.33	$141.59	$163.03	$266.30
1½"	$200.82	$217.17	$282.57	$261.74	$283.18	$386.45
2"	$311.50	$327.85	$393.25	$405.92	$427.36	$530.63
3"	$569.75	$586.10	$651.50	$790.40	$811.84	$915.11
4"	$938.68	$955.03	$1,020.43	$1,222.94	$1,244.38	$1,347.65
6"	$1,861.01	$1,877.36	$1,942.76	$2,424.44	$2,445.88	$2,549.15
8"	$2,967.80	$2,984.15	$3,049.55	$3,866.24	$3,887.68	$3,990.95
10"	$4,258.70	$4,275.05	$4,340.45	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING	PROPOSED
NORTH REGION	

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$36.89
1"	$92.23
1½"	$184.47
2"	$295.15
3"	$553.40
4"	$922.33
6"	$1,844.66
8"	$2,951.45
10"	$4,242.35
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	$3.27
Regional Pass-Through Gallonage Charge	$0.0000

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)	
Tap Fee 5/8" x 3/4" Meter	$500.00
Tap Fee (Unique Costs)	Actual Cost
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$45.00
Transfer Fee	$45.00
Late Charge	10% of bill
Returned Check Charge	$25.00
Customer Deposit Residential	$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill
Relocated.[sic] Meter Test Fee	$25.00
Meter Relocation Fee (Customer's Request)	Actual Relocation Cost, Not to Exceed Tap Fee
Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$75.00
Lock Removal or Damage Fee	$10.00
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - Base rate for meter size times number of months off system not to exceed six months when leave and return within a twelve month period.	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$50.00
Late Charge	10% of bill
Returned Check Charge	$25.00
Customer Deposit - Residential	$50.00
Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter/Service Relocation Fee (Customer's Request)	Actual Cost
Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$100.00[4]
Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

1 The tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

2 For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

3 This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

4,5 See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

NORTH REGION WATER (EAGLES BLUFF – EAGLES BLUFF ONLY)

BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	Eagles Bluff Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	Eagles Bluff Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" x ¾"	$59.76	$77.91	$162.61	$69.50	$90.94	$194.21
1"	$122.18	$140.33	$225.03	$141.59	$163.03	$266.30
1½"	$226.20	$244.35	$329.05	$261.74	$283.18	$386.45
2"	$351.03	$369.18	$453.88	$405.92	$427.36	$530.63
3"	$642.30	$660.45	$745.15	$790.40	$811.84	$915.11
4"	$1,058.41	$1,076.56	$1,161.26	$1,222.94	$1,244.38	$1,347.65
6"	$2,098.66	$2,116.81	$2,201.51	$2,424.44	$2,445.88	$2,549.15
8"	$3,346.97	$3,365.12	$3,449.82	$3,866.24	$3,887.68	$3,990.95
10"	$4,803.33	$4,821.48	$4,906.18	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING

EAGLES BLUFF

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$41.61
1"	$104.03
1½"	$208.05
2"	$332.88
3"	$624.15
4"	$1,040.26
6"	$2,080.51
8"	$3,328.82
10"	$4,785.18
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 20,000 Gallons	$3.63
Per 1,000 Gallons Thereafter	$4.84
Regional Pass-Through Gallonage Charge	$0.0000

PROPOSED

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)	
Tap Fee 5/8" x 3/4" Meter	$750.00
Tap Fee (Unique Costs)	Actual Cost
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee – Non- payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$45.00
Transfer Fee	$45.00
Late Charge	10%
Returned Check Charge	$25.00
Customer Deposit Residential	$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter Relocation Fee (Customer's Request)	Actual Relocation Cost, Not to Exceed Tap Fee
Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$75.00
Lock Removal or Damage Fee	$10.00
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - Base rate for meter size times number of months off system not to exceed six months when leave and return within a twelve month period.	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, conditions, and charges when new construction is necessary to provide service.	

MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$50.00
Late Charge	10%
Returned Check Charge	$25.00
Customer Deposit - Residential	$50.00
Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$100.00[4]
Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, conditions, and charges when new construction is necessary to provide service.	

1 This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

2 For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

3 This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

4,5 See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

NORTH REGION WATER (**EAGLES BLUFF - SHELL SHORES/CEDAR BAY ONLY**)

BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	Shell Shores / Cedar Bay Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	Shell Shores / Cedar Bay Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" x ¾"	$38.05	$49.60	$103.50	$69.50	$90.94	$194.21
1"	$55.80	$67.35	$121.25	$141.59	$163.03	$266.30
1½"	$99.80	$111.35	$165.25	$261.74	$283.18	$386.45
2"	$152.80	$164.35	$218.25	$405.92	$427.36	$530.63
3"	N/A	N/A	N/A	$790.40	$811.84	$915.11
4"	N/A	N/A	N/A	$1,222.94	$1,244.38	$1,347.65
6"	N/A	N/A	N/A	$2,424.44	$2,445.88	$2,549.15
8"	N/A	N/A	N/A	$3,866.24	$3,887.68	$3,990.95
10"	N/A	N/A	N/A	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING	PROPOSED

SHELL SHORES / CEDAR BAY

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$26.50
1"	$44.25
1½"	$88.25
2"	$141.25
3"	N/A
4"	N/A
6"	N/A
8"	N/A
10"	N/A
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 20,000 Gallons	$2.31
Per 1,000 Gallons Thereafter	$3.08
Regional Pass-Through Gallonage Charge	$0.0000

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)	
Tap Fee 5/8" x 3/4" Meter	$500.00
Tap Fee (Unique Costs)	
Tap Fee (Larger Meter)	
Reconnection Fee – Non- payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$25.00
Transfer Fee	$25.00
Late Charge	$5.00 or 10%
Returned Check Charge	$25.00
Customer Deposit Residential	$50.00
Commercial & Non-Residential Deposit	
Meter Test Fee	$25.00
Meter Relocation Fee (Customer's Request)	
Standard Meter Installation Fee	
Customer Service Inspection Fee	
Lock Removal or Damage Fee	
Damaged Meter and Appurtenances Fee	
Seasonal Reconnection Fee -	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge –	
Line Extension and Construction Charges –	

MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$50.00
Late Charge	10%
Returned Check Charge	$25.00
Customer Deposit - Residential	$50.00
Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$100.00[4]
Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

[1] This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

[2] For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

[3] This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

[4,5] See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

NORTH REGION WATER (HOLIDAY ESTATES WATER)
BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	Holiday Estates Water Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	Holiday Estates Water Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" x ¾"	$47.50	$65.60	$141.60	$69.50	$90.94	$194.21
1"	N/A	N/A	N/A	$141.59	$163.03	$266.30
1½"	N/A	N/A	N/A	$261.74	$283.18	$386.45
2"	N/A	N/A	N/A	$405.92	$427.36	$530.63
3"	N/A	N/A	N/A	$790.40	$811.84	$915.11
4"	N/A	N/A	N/A	$1,222.94	$1,244.38	$1,347.65
6"	N/A	N/A	N/A	$2,424.44	$2,445.88	$2,549.15
8"	N/A	N/A	N/A	$3,866.24	$3,887.68	$3,990.95
10"	N/A	N/A	N/A	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING

HOLIDAY ESTATES WATER

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$30.00
1"	N/A
1½"	N/A
2"	N/A
3"	N/A
4"	N/A
6"	N/A
8"	N/A
10"	N/A
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 8,000 Gallons	$3.50
8,001 - 40,000 Gallons	$3.80
Per 1,000 Gallons Thereafter	$4.80
Regional Pass-Through Gallonage Charge	$0.0000

PROPOSED

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)	
Tap Fee 5/8" x 3/4" Meter	$300.00
Tap Fee (Unique Costs)	Actual Cost
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee – Non- payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$50.00
Transfer Fee	$25.00
Late Charge	$5.00
Returned Check Charge	$30.00
Customer Deposit Residential	$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter Relocation Fee (Customer's Request)	Actual Relocation Cost, Not to Exceed Tap Fee
Standard Meter Installation Fee	
Customer Service Inspection Fee	
Lock Removal or Damage Fee	
Damaged Meter and Appurtenances Fee	
Seasonal Reconnection Fee	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$50.00
Late Charge	10%
Returned Check Charge	$25.00
Customer Deposit - Residential	$50.00
Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$100.00[4]
Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

1 This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

2 For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

3 This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

4,5 See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

NORTH REGION WATER (**BLUE WATER SHORES, LAKESIDE HILLS and RIVER RUN**)

BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	Blue Water Shores, Lakeside Hills River Run Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	Blue Water Shores, Lakeside Hills River Run Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" X ¾"	$47.10	$62.10	$122.10	$69.50	$90.94	$194.21
1"	N/A	N/A	N/A	$141.59	$163.03	$266.30
1½"	N/A	N/A	N/A	$261.74	$283.18	$386.45
2"	N/A	N/A	N/A	$405.92	$427.36	$530.63
3"	N/A	N/A	N/A	$790.40	$811.84	$915.11
4"	N/A	N/A	N/A	$1,222.94	$1,244.38	$1,347.65
6"	N/A	N/A	N/A	$2,424.44	$2,445.88	$2,549.15
8"	N/A	N/A	N/A	$3,866.24	$3,887.68	$3,990.95
10"	N/A	N/A	N/A	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING	PROPOSED

BLUE WATER SHORES, LAKESIDE HILLS, RIVER RUN

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

	(Includes 3,000 Gallons)
⅝" x ¾"	$41.10
1"	N/A
1½"	N/A
2"	N/A
3"	N/A
4"	N/A
6"	N/A
8"	N/A
10"	N/A
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge

1 to 3,000 Gallons	$0.00
Per 1,000 Gallons Thereafter	$3.00
Regional Pass-Through Gallonage Charge	$0.0000

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge

1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)		MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$585.00	Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost	Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost	Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non- payment of bill	$25.00	Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$50.00	Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$50.00	Transfer Fee	$50.00
Late Charge	$5.00	Late Charge	10%
Returned Check Charge	$20.00	Returned Check Charge	$25.00
Customer Deposit Residential	$50.00	Customer Deposit - Residential	$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill	Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00	Meter Test Fee	$25.00
Meter Relocation Fee (Customer's Request)	Actual Relocation Cost, Not to Exceed Tap Fee	Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee		Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee		Customer Service Inspection Fee	$100.00[4]
Lock Removal or Damage Fee		Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee		Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee -		Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%		Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]		Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.		Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

1 This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

2 For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

3 This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

4,5 See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

NORTH REGION WATER (SADDLE CLUB ESTATES)

BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	Saddle Club Estates Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	Saddle Club Estates Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" x ¾"	$34.00	$44.00	$106.50	$69.50	$90.94	$194.21
1"	$50.00	$60.00	$122.50	$141.59	$163.03	$266.30
1½"	$90.00	$100.00	$162.50	$261.74	$283.18	$386.45
2"	$138.00	$148.00	$210.50	$405.92	$427.36	$530.63
3"	$250.00	$260.00	$322.50	$790.40	$811.84	$915.11
4"	$410.00	$420.00	$482.50	$1,222.94	$1,244.38	$1,347.65
6"	N/A	N/A	N/A	$2,424.44	$2,445.88	$2,549.15
8"	N/A	N/A	N/A	$3,866.24	$3,887.68	$3,990.95
10"	N/A	N/A	N/A	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING

SADDLE CLUB ESTATES

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size (Includes 0 Gallons)

⅝" x ¾"	$24.00
1"	$40.00
1½"	$80.00
2"	$128.00
3"	$240.00
4"	$400.00
6"	N/A
8"	N/A
10"	N/A
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 15,000 Gallons	$2.00
Per 1,000 Gallons Thereafter	$3.50
Regional Pass-Through Gallonage Charge	$0.0000

PROPOSED

Monthly Minimum Charge by Meter Size (Includes 0 Gallons)

⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)	
Tap Fee 5/8" x 3/4" Meter	$450.00
Tap Fee (Unique Costs)	Actual Cost
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee – Non- payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$35.00
Transfer Fee	$35.00
Late Charge	$5.00 or 10%
Returned Check Charge	$25.00
Customer Deposit Residential	$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter Relocation Fee (Customer's Request)	Actual Relocation Cost, Not to Exceed Tap Fee
Standard Meter Installation Fee	
Customer Service Inspection Fee	
Lock Removal or Damage Fee	
Damaged Meter and Appurtenances Fee	
Seasonal Reconnection Fee -	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$50.00
Late Charge	10%
Returned Check Charge	$25.00
Customer Deposit - Residential	$50.00
Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$100.00[4]
Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

1 This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

2 For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

3 This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

4,5 See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

NORTH REGION WATER (SPRING HILL/STONY HILL)

BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	Spring Hill / Stony Hill Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	Spring Hill / Stony Hill Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" x ¾"	$32.80	$45.80	$97.80	$69.50	$90.94	$194.21
1"	$50.30	$63.30	$115.30	$141.59	$163.03	$266.30
1½"	$90.30	$103.30	$155.30	$261.74	$283.18	$386.45
2"	$140.30	$153.30	$205.30	$405.92	$427.36	$530.63
3"	$257.80	$270.80	$322.80	$790.40	$811.84	$915.11
4"	$425.30	$438.30	$490.30	$1,222.94	$1,244.38	$1,347.65
6"	N/A	N/A	N/A	$2,424.44	$2,445.88	$2,549.15
8"	N/A	N/A	N/A	$3,866.24	$3,887.68	$3,990.95
10"	N/A	N/A	N/A	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING

SPRING HILL / STONY HILL

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

	(Includes 2,000 Gallons)
⅝" x ¾"	$25.00
1"	$42.50
1½"	$82.50
2"	$132.50
3"	$250.00
4"	$417.50
6"	N/A
8"	N/A
10"	N/A
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 2,000 Gallons	$0.00
Per 1,000 Gallons Thereafter	$2.60
Regional Pass-Through Gallonage Charge	$0.0000

PROPOSED

Monthly Minimum Charge by Meter Size

	(Includes 0 Gallons)
⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge	
1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)		MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$500.00	Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost	Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost	Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non- payment of bill	$25.00	Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$40.00	Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$30.00	Transfer Fee	$50.00
Late Charge	$5.00	Late Charge	10%
Returned Check Charge	$15.00	Returned Check Charge	$25.00
Customer Deposit Residential	$50.00	Customer Deposit - Residential	$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill	Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00	Meter Test Fee	$25.00
Meter Relocation Fee (Customer's Request)	Actual Relocation Cost, Not to Exceed Tap Fee	Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee		Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$50.00	Customer Service Inspection Fee	$100.00[4]
Lock Removal or Damage Fee		Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee		Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee -		Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%		Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]		Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.		Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

1 This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

2 For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

3 This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

4,5 See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

NORTH REGION WATER (T & A)

BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	T & A Water Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	T & A Water Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" x ¾"	$53.00	$68.00	$158.00	$69.50	$90.94	$194.21
1"	N/A	N/A	N/A	$141.59	$163.03	$266.30
1½"	N/A	N/A	N/A	$261.74	$283.18	$386.45
2"	N/A	N/A	N/A	$405.92	$427.36	$530.63
3"	N/A	N/A	N/A	$790.40	$811.84	$915.11
4"	N/A	N/A	N/A	$1,222.94	$1,244.38	$1,347.65
6"	N/A	N/A	N/A	$2,424.44	$2,445.88	$2,549.15
8"	N/A	N/A	N/A	$3,866.24	$3,887.68	$3,990.95
10"	N/A	N/A	N/A	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING

T & A WATER

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size (Includes 2,000 Gallons)

⅝" x ¾"	$44.00
1"	N/A
1½"	N/A
2"	N/A
3"	N/A
4"	N/A
6"	N/A
8"	N/A
10"	N/A
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge

1 to 2,000 Gallons	$0.00
2,001 to 10,000 Gallons	$3.00
10,001 to 20,000 Gallons	$4.00
Per 1,000 Gallons Thereafter	$5.00
Regional Pass-Through Gallonage Charge	$0.0000

PROPOSED

Monthly Minimum Charge by Meter Size (Includes 0 Gallons)

⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge

1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)		MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$500.00	Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost	Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost	Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non- payment of bill	$25.00	Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$0.00	Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$0.00	Transfer Fee	$50.00
Late Charge	10%	Late Charge	10%
Returned Check Charge	$25.00	Returned Check Charge	$25.00
Customer Deposit Residential	$50.00	Customer Deposit - Residential	$50.00
Commercial & Non-Residential Deposit	1/6 of estimated annual bill	Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00	Meter Test Fee	$25.00
Meter Relocation Fee (Customer's Request)	Actual Relocation Cost, Not to Exceed Tap Fee	Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee		Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee		Customer Service Inspection Fee	$100.00[4]
Lock Removal or Damage Fee		Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee		Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee -		Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%		Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]		Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.		Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

1 This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

2 For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

3 This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

4,5 See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

NORTH REGION WATER (V L S)

BILL COMPARISON (CURRENT vs. PROPOSED RATES)

Meter Size	V L S Water Existing Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month	V L S Water Proposed Total Charges @ 5,000G per Month	@ 10,000G per Month	@ 30,000G per Month
⅝" x ¾"	$30.00	$55.00	$155.00	$69.50	$90.94	$194.21
1"	N/A	N/A	N/A	$141.59	$163.03	$266.30
1½"	N/A	N/A	N/A	$261.74	$283.18	$386.45
2"	N/A	N/A	N/A	$405.92	$427.36	$530.63
3"	N/A	N/A	N/A	$790.40	$811.84	$915.11
4"	N/A	N/A	N/A	$1,222.94	$1,244.38	$1,347.65
6"	N/A	N/A	N/A	$2,424.44	$2,445.88	$2,549.15
8"	N/A	N/A	N/A	$3,866.24	$3,887.68	$3,990.95
10"	N/A	N/A	N/A	$5,548.34	$5,569.78	$5,673.05
12"	N/A	N/A	N/A	$12,036.44	$12,057.88	$12,161.15

EXISTING

V L S WATER

MINIMUM MONTHLY CHARGES:

Monthly Minimum Charge by Meter Size

(Includes 3,000 Gallons)

⅝" x ¾"	$20.00
1"	N/A
1½"	N/A
2"	N/A
3"	N/A
4"	N/A
6"	N/A
8"	N/A
10"	N/A
12"	N/A

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge

1 to 3,000 Gallons	$0.00
Per 1,000 Gallons Thereafter	$5.00
Regional Pass-Through Gallonage Charge	$0.0000

PROPOSED

Monthly Minimum Charge by Meter Size

(Includes 0 Gallons)

⅝" x ¾"	$48.06
1"	$120.15
1½"	$240.30
2"	$384.48
3"	$768.96
4"	$1,201.50
6"	$2,403.00
8"	$3,844.80
10"	$5,526.90
12"	$12,015.00

CHARGES PER 1,000 GALLONS USED:

Gallonage Charge

1 to 20,000 Gallons	$4.05
Per 1,000 Gallons Thereafter	$5.80
Regional Pass-Through Gallonage Charge	$0.2384

MISCELLANEOUS FEES (CURRENT)	
Tap Fee 5/8" x 3/4" Meter	None
Tap Fee (Unique Costs)	
Tap Fee (Larger Meter)	
Reconnection Fee – Non- payment of bill	None
Reconnection Fee - Customer's request that service be disconnected	None
Transfer Fee	None
Late Charge	None
Returned Check Charge	None
Customer Deposit Residential	None
Commercial & Non-Residential Deposit	
Meter Test Fee	None
Meter Relocation Fee (Customer's Request)	
Standard Meter Installation Fee	
Customer Service Inspection Fee	
Lock Removal or Damage Fee	
Damaged Meter and Appurtenances Fee	
Seasonal Reconnection Fee -	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge –	
Line Extension and Construction Charges –	

MISCELLANEOUS FEES (PROPOSED)	
Tap Fee 5/8" x 3/4" Meter	$1100.00[1]
Tap Fee (Unique Costs)	Actual Cost[2]
Tap Fee (Larger Meter)	Actual Cost[3]
Reconnection Fee – Non-payment of bill	$25.00
Reconnection Fee - Customer's request that service be disconnected	$75.00
Transfer Fee	$50.00
Late Charge	10%
Returned Check Charge	$25.00
Customer Deposit - Residential	$50.00
Customer Deposit – Commercial or Non-Residential	1/6 of estimated annual bill
Meter Test Fee	$25.00
Meter/Service Relocation (Customer's Request)	Actual Cost
Standard Meter Installation Fee	$150.00
Customer Service Inspection Fee	$100.00[4]
Illegal Reconnection, Lock Removal, or Damage Fee	$85.00[5]
Damaged Meter and Appurtenances Fee	Actual Cost
Seasonal Reconnection Fee - NONE	
Regulatory Assessment Fee – 1.0%	
Governmental Testing, Inspection and Costs Surcharge – 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. [30 TAC 291.21(k)(2)]	
Line Extension and Construction Charges – Refer to Tariff Section 3.0--Extension Policy for terms, Conditions, and charges when new construction is necessary to provide service.	

1 This tap fee covers the Utility's costs for materials and labor to install a standard residential 5/8" x 3/4" meter. An additional fee to cover unique costs is permitted as listed on the Utility's tariff.

2 For example, a road bore for customers outside a subdivision is a unique cost. Unique costs will be determined on a case-by-case basis.

3 This tap fee is based on the Utility's actual cost for materials and labor for meters larger than standard 5/8" x 3/4" meters. Unique costs, such as road bores, will be charged in addition to this tap fee at their actual cost of installation.

4,5 See page 31 for requirements and language changes to "Customer Service Inspection Fee", "Illegal Reconnection, Lock Removal, or Damage Fee", and "Damaged Meter and Appurtenances Fee".

CURRENT - PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through to only the water system(s) affected by the increase or fee as an adjustment to the water gallonage charge according to the following formula:

AG = G + B/(1-L)

Where:

AG = adjusted gallonage charge, rounded to the nearest one cent;

G = approved gallonage charge (per 1,000 gallons);

B = change in purchased water/district gallonage charge (per 1,000 gallons);

L = system average line loss for preceding 12 months not to exceed 0.15.

PROPOSED – REGIONAL PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT

Increases or decreases in costs, fees, rates and charges imposed by governmental entities, water authorities or districts having jurisdiction over Aqua Texas or its operations or by non-affiliated third party water suppliers or water rights holders selling water or water rights to Aqua Texas shall be passed through on a Regional basis as a line item Regional Pass-Through Gallonage Charge or an adjustment to the existing Regional Pass-Through Gallonage Charge using the following formula:

NRPTGC = ORPTGC (+/-) CRPTGC

Where:

NRPTGC = New Regional Pass-Through Gallonage Charge;

ORPTGC = Original Regional Pass-Through Gallonage Charge from last rate application or pass-through adjustment application;

CRPTGC = Change in Regional Pass-Through Gallonage Charge; and,

CRPTGC = ((NVC+(VC*APV))/(RPV))/(1-WL)
Sum of all changes (all increases or decreases) since last adjustment in costs, fees, rates and charges divided by the Regional Pumped and Purchased Volume divided by one minus water loss;

APV = Annual Pumped and/or Purchased Volume from the most recent rate application for the system or systems where the changes in costs, fees, rates and charges occurred; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed;

RPV = Annual Pumped and/or Purchased volume for Region from the most recent rate application; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed;

WL = Annual water loss average for Region in most recent rate application not to exceed 0.15; or water loss, not to exceed 0.15, for the most recent 12 months if more than 3 years have passed since the most recent application was filed;

NVC = Annual non-volumetric cost change = annual increases or decreases in costs, fees, rates and charges that are not based on water purchased, pumped and/or billed;

VC = Volumetric cost change = volumetric cost increases or decreases from costs, fees, rates and charges based on water purchased. pumped and/or billed.

To implement a new Regional Pass-Through Gallonage Charge, Aqua Texas shall take the following actions:

1. Prior to the beginning of the billing period in which the revision takes place, submit written notice to the TCEQ Executive Director with documentation supporting the line item Regional Pass-Through Gallonage Charge adjustment; and

2. Mail notice to affected customers separately at the beginning of the billing period or include written notice to affected customers with the billing sent out at the beginning of the billing period in which the new Regional Pass-Through Gallonage Charge becomes effective. The notice must contain: (a) the effective date of the change, (b) the then-present calculation of the line item Regional Pass-Through Gallonage Charge, (c) the new calculation of the line item Regional Pass-Through Gallonage Charge, and (d) the change in costs, fees, rates or charges to Aqua Texas prompting the adjustment to the line item Regional Pass-Through Gallonage Charge.

   The notice will include the following language:

   "This tariff change is being implemented in accordance with Aqua Texas' approved Regional Pass-Through Gallonage Charge Adjustment provision to recognize (increases)(decreases) in the (costs), (fees), (rates) and (charges) imposed by (governmental entities), (water authorities) or (districts) (having jurisdiction over Aqua Texas or its operations) or (by non-affiliated third-party) (water suppliers) or (water rights holders) (selling water) or (water rights) to Aqua Texas. The cost of these charges to customers will not exceed the (increased) (decreased) cost of the (costs), (fees), (rates) and (charges) to Aqua Texas."

The process of implementing the Regional Pass-Through Gallonage Charge Adjustment provision and the Executive Director's review of a proposed revision to Aqua Texas' line item Regional Pass-Through Gallonage Charge is an informal proceeding and not a contested case hearing. Only the Commission, the Executive Director, or Aqua Texas may request a hearing on the proposed revision. It shall not be considered a rate case under the Texas Water Code or TCEQ rules, and Texas Water Code § 13.187 shall not apply.

CURRENT TEMPORARY WATER RATE –

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production, or water sales, the utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(prr)(cgc)(r)}{(1.0-r)}$$

Where:

TGC = temporary gallonage charge.

cgc = current gallonage charge.

r = water use reduction expressed as a decimal fraction (the pumping restriction).

prr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff prr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 30 T.A.C. 291.21(l).

PROPOSED TEMPORARY WATER RATE

REGIONAL TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if Aqua Texas is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production, or water sales, Aqua Texas shall be authorized to increase its approved line item Charges per 1,000 Gallons Used (Gallonage Charge & Regional Pass-Through Gallonage Charge) by the amount of the Regional Temporary Water Rate Increase ("RTWR") calculated according to the formula:

$$RTWR = (((PRR)(CGC)(R))/(1-R))*((APV)/(RPV))$$

Where:

RTWR = Regional Temporary Water Rate Increase per 1,000 gallons;

R = water use reduction expressed as a decimal fraction (the pumping restriction);

CGC = current total volume charge per 1,000 gallons Used (Gallonage Charge + Regional Pass-Through Gallonage Charge);

PRR = percentage of revenues to be recovered expressed as a decimal fraction; for this tariff PRR shall equal 0.5;

APV = Annual Pumped and/or Purchased volume from the most recent rate application for the system or systems where the temporary restrictions are imposed; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed; and

RPV = Annual Pumped and Purchased volume for Region from the most recent rate application; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed.

To implement the Regional Temporary Water Rate, Aqua Texas must comply with all notice and other requirements of 30 T.A.C. § 291.21(l).

OTHER MISCELLANEOUS FEE PROVISIONS THAT ARE BEING PROPOSED FOR CHANGE IN THIS APPLICATION:

Customer Service Inspection Fee – $100.00

Service applicants may choose to have customer service inspections required by TCEQ Rule 290.46(j) performed by any State licensed inspector of their choice. Unless the service applicant chooses to arrange for and pay for the inspection independently, the utility may charge service applicants the customer service inspection fee at the time they apply for service. If a re-inspection is required to bring plumbing into compliance with applicable requirements or if an extra inspection appointment is required because a customer does not permit performance of an inspection at a previously agreed upon appointment time, the customer may choose to have any State licensed inspector of their choice perform the inspection. If the customer chooses to have the utility perform the inspection or re-inspection, the customer will be charged $100.00 for each required inspection, re-inspection or agreed upon inspection appointment and will pay the utility the total amount owed at the time an inspection or re-inspection is performed. The utility may, at its option, include the additional charge or charges on the next month's utility bill rather than requiring payment at the time of the inspection or re-inspection. The utility may use utility employees or may have the inspection performed by a licensed third party contractor.

Illegal Reconnection, Lock Removal, or Damage Fee - $85.00

In order to reimburse the utility without burdening other customers with higher rates for the additional cost of service trips to disconnect a customer/account holder who has been disconnected for nonpayment and to pay for the cost of broken or cut locks and service time, this fee shall be assessed to the account holder of any delinquent account that has been disconnected for nonpayment by valving off, locking or removing the meter when service to the premises is subsequently reconnected by non-utility personnel by cutting or removing the lock, reopening the valve, or removing or bypassing the meter without authorization by the utility. This fee may be charged each time an event occurs and service will not be reconnected until this fee is paid in addition to any other balances and reconnect fees. This fee shall not be charged if a fee for a damaged meter is charged or if the account holder or his/her representative informs the utility within 24 hours after discovering that service has been restored without authorization of the utility: (1) that service was reconnected without the account holder's permission; and (2) the account holder agrees to pay for all water used.

Damaged Meter and Appurtenances Fee Actual Cost

This fee shall be assessed to the account holder of any delinquent account that has been disconnected for nonpayment by valving off or locking the meter when the meter and/or meter appurtenances, such as an AMR unit or curb stop, are damaged in order to restore water service to the account holder's original place of service requiring the utility to repair or replace them. The account holder shall be charged the full cost of repairing and/or replacing all damaged parts as the utility deems necessary, including labor and vehicle costs. This will include replacement of valves or curb stops that have had their locking eyes broken off the flanges.

ALL OTHER CHANGES TO MISCELLANEOUS FEES OR FEE PROVISIONS ARE DISCUSSED ON PAGES 11, 13, 15, 17, 19, 21, 23, 25, AND 27. IF NOT IDENTIFIED ABOVE OR ON PAGES 13, 15, 17, 19, 21, 23, 25, AND 27, MISCELLANEOUS FEE PROVISIONS ARE NOT PROPOSED TO CHANGE FROM THOSE IN AQUA TEXAS' EXISTING NORTH REGION WATER TARIFF.

RATE CASE NOTICE ADDENDUM

The final rates to any customer or class of customers approved in this rate change application may be greater or less than these noticed rates, but they will not recover a larger total revenue requirement. The utility may amend the rate change application where permitted by law. There may be monthly customer surcharges for rate case expenses, capital improvements, collection of lost revenues during the pendency of the case or other purpose(s) approved in the final order. The utility may propose and have approved pass-through clauses permitted by the Texas Water Code and/or TCEQ rules. The utility may propose or receive changes to its tariff that may affect terms and conditions under which any present or future customer receives service. The utility may seek or receive invested capital findings and a rate case bench mark for future rate cases. The utility may propose or receive changes to its extension policies. The utility may propose or receive changes to its Drought Management and Water Conservation Plan that may affect present or future customers. *For these reasons, all affected current or future customers are encouraged to review the rate change application and tariff(s) and take such action as that customer deems appropriate.*

PROSPERITY DEPENDS ON YOUR TEARS

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LEFT BLANK

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

PRESORTED
FIRST-CLASS MAIL
U.S POSTAGE
PAID
AUSTIN, TX
PERMIT #215

EXHIBIT C

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear Briarcreek Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. **This is Aqua's first request for a base rate increase in more than seven years, and it only affects your water rates, not your sewer rates.** Information about your current and proposed new rates accompanies this letter.

Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. We continued to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase. The significant infrastructure investment made over the past seven years now enables your water system to meet all federal and state drinking water standards.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua remains committed to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear Canyon Springs/Kings Cove Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. Aqua typically spends more per customer after acquiring smaller systems such as yours to ensure that we continue to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

Examples of Aqua's improvements to the system at Canyon Springs Resorts and Kings Cove Subdivision include completion of a model of the entire system to identify water lines for replacement, replaced the buildings that house chlorination treatment systems, repair of the pump building, the installation of radio-frequency meters that can be read without accessing customers' properties, the installation of a stand-by generator at the water plant and an interconnect between the Canyon Springs System and the Kings Cove System to enhance water deliverability. Aqua also funded a study to ensure that adequate groundwater remains available for Canyon Springs and Kings Cove customers.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear Cardinal Valley Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. Aqua typically spends more per customer after acquiring smaller systems such as yours to ensure that we continue to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

Examples of Aqua's improvements to the Cardinal Valley system include the installation of a new chlorine system and the replacement of manual meters with radio-frequency meters that can be read without accessing our customers' properties.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear Stone Mountain at Cavern Springs Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. Aqua typically spends more per customer after acquiring smaller systems such as yours to ensure that we continue to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

In the Stone Mountain at Cavern Springs system, Aqua replaced the fencing that surrounds the well, installed new well controls at the pump station and at the well site, and installed new radio-frequency meters that can be read without accessing customers' properties.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear Harper System Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. Aqua typically spends more per customer after acquiring smaller systems such as yours to ensure that we continue to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

Examples of Aqua's improvements to the Harper system include the installation of new hydro-tanks at Guadalupe Heights and Deerwood to increase water pressure, the installation of a new ground storage tank at Highlands Ranch, construction of a new fence surrounding the plant site in Northwest Hills, enhancements to the West Oak Heights water plant, and the replacement of manual meters with radio-frequency water meters that can be read without accessing our customers' properties.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F. 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear Kerrville South Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. Aqua typically spends more per customer after acquiring smaller systems such as yours to ensure that we continue to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

In Kerrville South, Aqua installed a new chlorine treatment system, built a new hydro tank to increase water pressure, created an interconnection with the Erlund subdivision to boost water pressure in a low-pressure area, and replaced manual meters with radio-frequency water meters that can be read without accessing our customers' properties. Aqua also installed water main valves so we can isolate breaks and keep more customers in service during repairs.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear Mountain Crest Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. Aqua typically spends more per customer after acquiring smaller systems such as yours to ensure that we continue to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

Examples of Aqua's improvements to the Mountain Crest system include the replacement of manual meters with radio-frequency meters that can be read without accessing our customers' properties, and the construction of a new hydro tank to boost water pressure. Aqua also built an interconnection to increase water pressure in a low-pressure area and conducted leak-detection studies to curb water loss.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear Pecan Utilities Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. Aqua typically spends more per customer after acquiring smaller systems such as yours to ensure that we continue to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

Examples of Aqua's improvements to the Pecan Utilities water system include the installation of water main valves so we can isolate breaks and keep more customers in service during repairs. We also replaced 200 feet of pipe and installed new radio-frequency water meters that can be read without accessing our customers' properties.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 16, 2011

Dear San Gabriel River Ranches & Indian Springs Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. Aqua typically spends more per customer after acquiring smaller systems such as yours to ensure that we continue to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

Examples of Aqua's improvements to the Indian Springs system include the installation of flush valves throughout the system, and the replacement of manual meters with radio-frequency meters that can be read without accessing our customers' properties.

In the San Gabriel River Ranches water system, Aqua rehabilitated two water supply wells, upgraded our booster pump capacity, upgraded the chlorination system, installed a larger ground storage tank and a stand-by generator, replaced 600 feet of 6-inch water mains, and installed new radio-frequency water meters for customers.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512- 990-4411
www.aqua-texas.com

December 19, 2011

Dear Aqua Texas Woodcreek Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. Information about your current and proposed new rates accompanies this letter. **This is Aqua's first request for a base rate increase in more than seven years, and it only affects your water rates, not your sewer rates.** A typical City of Woodcreek customer's water rate would increase by a modest 3 percent in our request. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. We continue to operate under increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase.

Since Aqua purchased the Woodcreek systems in 2003, we have spent more than $2.2 million on capital improvements that have enabled Aqua to reduce pumping and substantially reduce water loss from just a few years ago. Aqua also recently began a $5 million capital improvement project to replace more than 19 miles of pipe throughout the Wimberley Valley — roughly 67 percent of the pipes in the City of Woodcreek and 74 percent of the pipes in Woodcreek North. Plans call for the project to last five years with the first phase of construction expected to be complete in the spring of 2012.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring Woodcreek and the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in the Southwest Texas region since 2004.

Aqua looks forward to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

AQUA

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512-990-4411
www.aqua-texas.com

December 16, 2011

Dear Aqua Texas Customer:

On or before December 23, 2011, Aqua Texas (Aqua) will file a request to increase water rates in our Southwest Texas region, which includes your service area. **This is Aqua's first request for a base rate increase in more than seven years, and it only affects your water rates, not your sewer rates.** Information about your current and proposed new rates accompanies this letter.

You might recall that, until last January, Aqua had collected a monthly surcharge of nearly $12.50 to recover expenses related to our 2004 rate request. In our new rate request, Aqua plans to recover expenses in the base rate instead of a surcharge. The base rate for most customers in the Southwest would increase by about $9.40 per month, but your bill won't include any surcharges. **Even with the proposed increase, an average Aqua customer would pay a little more than a penny per gallon for water.**

This rate request is necessary to enable Aqua to recover $31.7 million — about $2,300 per customer — that we have spent since 2004, most of which we invested to improve water quality, service and reliability for about 43,500 residents in Southwest Texas. We continued to meet increasingly stringent state and federal environmental standards by drilling new water supply wells, installing new water mains and stand-by power generators, increasing storage capacity, and making other infrastructure improvements. These capital improvement costs represent almost the entire reason for Aqua's proposed increase. The significant infrastructure investment made over the past seven years now enables your water system to meet all federal and state drinking water standards.

We understand that customers are concerned about bill increases of any amount, but Aqua must make timely and prudent investments in wells, treatment plants, and water mains to help ensure quality, dependable water service for our customers. Although we had to make these necessary capital improvements to bring the Southwest Texas systems' water infrastructure up to today's standards, we're committed to keeping water rates as low as possible in the future. In fact, Aqua has reduced our operations and maintenance cost per customer in Southwest Texas since 2004.

Aqua remains committed to providing our customers with a high-quality, sustainable source of water in the years to come. If you have any questions about your service or bill, please call Aqua at 877.WTR.AQUA (877.987.2782).

Sincerely,

Robert L. Laughman
President

NOTICE OF PROPOSED RATE CHANGE

Aqua Texas, Inc., Aqua Utilities, Inc., Aqua Development, Inc., Harper Water Company, Inc., & Kerrville South Water Company, Inc., ("Aqua Texas") CCN Numbers 11157, 12902, 11421, and 11484

1106 Clayton Lane, Suite 400W Austin, Texas 78723 (512) 990-4400
Company Address Telephone Number

have submitted a rate/tariff change application affecting nearly all Aqua Texas Southwest Region water ratepayers to the Texas Commission on Environmental Quality (Commission) and with each Southwest Region city in which they provide retail water utility service. The application filed with the Commission is identical to the rate/tariff change application filed with each municipality in which the utility provides retail water utility service. The proposed rates, fees, charges and tariff provisions listed on the following pages will apply to retail water utility service received after the effective date provided below. If the Commission or a City 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 from ratepayers with active metered Aqua Texas connections not located within the corporate limits of a municipality 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:

Subdivisions or Systems Affected by Rate Change
(This Rate Change affects nearly all Aqua Texas Southwest Region water ratepayers - See lists on pages 4-6 for more detail.)

Comparison of Existing and Proposed Rates at 5,000, 10,000 & 30,000 gallons (Please see following pages.)

Schedule of Proposed Rates, Fees, Adjustment Clauses, Future Rate Filings and Surcharges –
(Please see following pages.)

$3,375,858
Annual Revenue Increase

On or before December 23, 2011
Date Customers Notices Mailed

July 13, 2004 (modified by TCEQ Commission Order effective January 1, 2009)
Date of Last Rate Change

Daily Throughout each month
Date meters Typically Read

EFFECTIVE DATE OF PROPOSED INCREASE: February 21, 2012

The proposed rates will apply to all retail water utility service rendered after the effective date and will be reflected on the first water bill you receive after the effective date. The first water bill you receive after the effective date will be prorated to apply the proposed rates to service during those days in the billing cycle when the proposed rates were in effect. All bills received thereafter will be calculated using only the proposed rates.

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/tariff change application at Aqua Texas' office at 1106 Clayton Lane, Suite 400W, Austin, Texas 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.

INSIDE-CITY CUSTOMERS

NOTICE TO RATEPAYERS WHO RECEIVE SERVICE FROM AQUA TEXAS

AT A LOCATION THAT IS INSIDE OF THE CORPORATE LIMITS OF A MUNICIPALITY

If you are an Aqua Texas water ratepayer who receives retail water utility service from Aqua Texas at a location inside the corporate limits of a municipality, your municipality has original ratemaking jurisdiction over your rates. A rate/tariff change application has been filed with the appropriate representative of all Southwest Region Cities in which Aqua Texas is aware that active metered Aqua Texas water connections currently exist. However, recent annexations may have brought additional connections within a City's corporate limits. If your connection is inside the corporate limits of a municipality, and you do not see your municipality identified below, please contact Aqua Texas immediately. This rate increase still applies to you. Unless protests are received from 10 percent of the affected ratepayers or the City Staff requests a hearing, no hearing may be held. Please contact your municipality directly for information on any specific procedures for processing rate/tariff change applications it may have.

As with Aqua Texas' other Southwest Region water ratepayers, the proposed rates will apply to all retail water utility service rendered after the effective date of February 21, 2012 and will be reflected on the first water bill you receive after the effective date. The first water bill you receive after the effective date will be prorated to apply the proposed rates to service during those days in the billing cycle when the proposed rates were in effect. All bills received thereafter will be calculated using only the proposed rates.

In the event that the application is set for hearing, the specific rates requested by Aqua Texas may be decreased or increased by order of the City. If the City orders a lower rate to be set, Aqua Texas 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 Aqua Texas' office at 1106 Clayton Lane, Suite 400W Austin, Texas or at the appropriate City office identified below.

All protests and hearing requests from Aqua Texas ratepayers with water service connections located inside the corporate limits of a municipality must be filed with the appropriate City Representative as directed by each municipality. The municipalities below have informed Aqua Texas that their appropriate City Representatives for receipt of protests and hearing requests are as follows:

City of Austin

Send protests to: City Clerk
City of Austin
P.O. Box 1088
Austin, Texas 78767

City of Boerne

Send protests to: Ms. Lori Carroll, City Secretary
City of Boerne
402 E. Blanco Rd.
Boerne, Texas 78006

City of Cedar Park

Send protests to: Ms. LeAnn Quinn, City Secretary
City of Cedar Park
600 North Bell Blvd.
Cedar Park, Texas 78613

City of Kerrville

Send protests to: Ms. Brenda Craig, City Secretary
City of Kerrville
800 Junction Highway
Kerrville, TX 78028

City of Woodcreek

Send protests to: Mr. Pieter Sybesma, City Administrator
City of Woodcreek
41 Champions Circle
Woodcreek, Texas 78676

OVERVIEW OF SOUHTWEST REGION WATER RATE CHANGE REQUEST

Aqua Texas is proposing the following specific changes to its Southwest Region Water Tariff:

TERMS & CONDITIONS OF SERVICE

Aqua Texas proposes to make changes to its existing state-approved terms and conditions of service contained in its tariffs applicable to nearly all its Southwest Region water systems. Customers are encouraged to view these changes in the tariff included in the rate change application available for public inspection in the company's business offices and at the offices of the appropriate regulatory authority (*i.e.*, TCEQ; Municipality).

SOUTHWEST REGION (General WATER Tariff)

RATE SCHEDULE CHANGES

Aqua Texas is proposing rate schedule changes that will affect nearly all its Southwest Region water ratepayers. A list of Aqua Texas' current Southwest Region water systems affected by this application, identified numerically by TCEQ Public Drinking Water System ("PWS") Identification Number, is provided in this Notice. The PWS number may be found in the upper right corner of your monthly bill below your account number. System names as registered with TCEQ and the areas served may not match in all instances, but Aqua Texas is providing a list of its systems, with corresponding subdivisions and service areas, located in its Southwest Region in an effort to further inform customers which Aqua Texas system provides each customer's service. Currently, Aqua Texas has Southwest Region ratepayers located in Bandera, Bexar, Burnet, Comal, Gillespie*, Hays, Kendall, Kerr, Kimble*, Live Oak, Llano, Medina*, Nueces, Travis, Victoria, Williamson, and Wilson Counties, Texas, but additional service territories in Aqua Texas' Southwest Region may be added in the future.

* Two systems located in Gillespie and Kimble counties (Harper Water System (PWS ID No. 0860106) and London (PWS ID No. 1340019)) were purchased from LCRA and are considered part of Aqua Texas' Southwest Region. However, the customers of these systems will not receive the rate increase proposed in this application per a TCEQ approved agreement between Aqua Texas and LCRA. Additionally, Aqua Texas is not seeking a rate increase for its recently acquired Dancing Bear system in Medina County.

To review Aqua Texas' proposed rate schedule changes, please review the following information applicable to your system or subdivision:

1. The list of water systems and subdivisions/service areas provided on pages 4-6 ;
2. Billing comparisons for the current and the new proposed rates on pages 7-33; and
3. Other proposed changes to certain rate provisions (pgs. 34-37).

There is a bill comparison showing the typical monthly charge at the current rates and the monthly charge at proposed rates assuming that a customer uses 5,000 gallons, 10,000 gallons or 30,000 gallons per month. TCEQ rules require a comparison of usage at 10,000 and 30,000 gallons per month, but Aqua Texas is also providing a comparison at 5,000 gallons since most Aqua Texas customers use less than 10,000 gallons per month. These comparisons do not necessarily represent the amount of water a typical Aqua Texas customer would use in a given month because that amount varies.

Along with the proposed monthly minimum charges and charges per 1,000 gallons used, there is a list of the current and the proposed miscellaneous fees charged in specific instances, such as a new water tap or the fee for reconnecting service, and certain other specific rate clauses.

We have tried to make this notice as clear as possible while complying with all of the rules and regulations governing water utilities. We appreciate you as customers and look forward to providing you with high quality service at the most reasonable rates that we can in the future. You will note that we are proposing separate line item "Charges per 1,000 Gallons Used" so that you can see how much of the rate is dependent on ground water pumping fees, assessments, and purchased water fees.

Please note that Aqua Texas requests a Southwest Region water rate base determination by TCEQ in the rate/tariff change application.

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
0100030	Blue Medina Water	Medina River Ranch Blue Medina	Bandera	Southwest
0100047	Lakewood Water	Lakewood Water Lakewood Park	Bandera	Southwest
0100052	San Julian Creek Estates	San Julian Creek Estates	Bandera	Southwest
0100053	Elmwood Estates	Elmwood Estates	Bandera	Southwest
0100065	Comanche Cliffs	Comanche Cliffs	Bandera	Southwest
0150431	Estates Utility Co Stonegate	Stonegate	Bexar	Southwest
0270134	Stone Mountain at Cavern Springs	Stone Mountain	Burnet	Southwest
0270141	Rio Ancho Subdivision	Rio Ancho	Burnet	Southwest
0460022	Canyon Springs Water	Canyon Springs Kings Cove	Comal	Southwest
0460185	Gruene River Development	Gruene River	Comal	Southwest
0860005	Harper Road Estates	Harper Road Estates	Gillespie	Southwest
0860086	Northwest Hills Water Supply	Fredericksburg	Gillespie	Southwest
0860098	Deerwood Subdivision	Deerwood Subdivision	Gillespie	Southwest
0860100	West Oak Heights	West Oak Heights	Gillespie	Southwest
1050029	Chaparrall Water System	Bliss Spillar	Hays	Southwest
1050037	Woodcreek Utility Co 1	Wimberley Woodcreek Woodcreek Phase I	Hays	Southwest
1050039	Woodcreek Utility Co 2	Woodcreek Phase II	Hays	Southwest
1050043	Leisurewoods Water Co	Leisurewoods	Hays	Southwest
1050058	Southwest Territory	Southwest Territory	Hays	Southwest
1050068	Cardinal Valley Water	Cardinal Valley	Hays	Southwest
105077	Meadow Woods Water Supply	Meadow Woods Arroyo Ranch Dove Hollow Estates Quail Meadows Subdivision	Hays	Southwest
1050080	Granite Creek WSC	Granite Creek Blanco River Crossing	Hays	Southwest
1050082	Copper Hills Water System	Copper Hills	Hays	Southwest
1050100	Oak Meadows	Oak Meadows	Hays	Southwest
1050111	Mountain Crest Water Company	Mountain Crest	Hays	Southwest
1050134	Sierra West Subdivision	Sierra West Subdivision	Hays	Southwest
1300032	Stonegate Water System	Stonegate	Kendall	Southwest
1300034	Walnut Hills	Walnut Hills	Kendall	Southwest
1300036	Ten West Ranches	Ten West Ranches	Kendall	Southwest
1300041	Kendall Pointe	Kendall Pointe	Kendall	Southwest

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
1330009	Guadalupe Heights Utility Co	Guadalupe Heights	Kerr	Southwest
1330010	Center Point Taylor System	Center Point Taylor	Kerr	Southwest
1330028	Westcreek Estates Water System	Westcreek Estate	Kerr	Southwest
1330036	Erlund Subdivision	Erlund Subdivision Belaire Estates Clear Spring Ranch Estates Clear View Estates Kerrville South Ranches No. 1 Loudair Hill Subdivision Mountain Top Ranchettes Mountain View Estates Terre Verde Estates Tierra Grande	Kerr	Southwest
1330041	Loma Vista Water System	Loma Vista Shady Grove Spanish Oaks Estates Wood Hill Estates Wood Ridge Estates	Kerr	Southwest
1330062	Aqua Vista Utilities	Aqua Vista	Kerr	Southwest
1330091	Oak Forest South Water Supply	Oak Forest South Burney Oaks Fawn Run Quail Run Estates	Kerr	Southwest
1330097	Nickerson Farm Water System	Nickerson Farm	Kerr	Southwest
1330101	Sleepy Hollow	Sleepy Hollow	Kerr	Southwest
1330107	Pecan Valley	Pecan Valley	Kerr	Southwest
1330111	Center Point North Water System	Center Point North	Kerr	Southwest
1330113	Four Seasons	Four Seasons Castle Estates Dewberry Hollow Estates of Turtle Creek Lamb Creek Wood Creek Woodland Trail Estates	Kerr	Southwest
1330118	Horseshoe Oaks Subdivision Water System	Horse Shoe Oaks Subdivision	Kerr	Southwest
1330124	Northwest Hills Subdivision	Northwest Hills Subdivision	Kerr	Southwest
1330126	Bear Paw Water System	Bear Paw Highlands Ranch	Kerr	Southwest
1330127	Park Place Subdivision	Park Palace Park Place Subdivision	Kerr	Southwest
1330139	Real Oaks Subdivision	Real Oaks Subdivision	Kerr	Southwest
1330147	Cherry Ridge Water	Cherry Ridge	Kerr	Southwest
1330154	Falling Water Subdivision	Falling Water Subdivision Reserve at Falling Water	Kerr	Southwest
1330155	Saddlewood Subdivision	Saddlewood Subdivision	Kerr	Southwest
1330156	Cypress Springs	Cypress Springs	Kerr	Southwest
1490017	Lake Vista Utility Co	Lake Vista	Live Oak	Southwest
1500043	Pecan Utilities Water Company	Pecan Utilities Oakridge Subdivision	Llano	Southwest
1630026	Country View Estates	Country View Estates Big Valley	Medina	Southwest