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DOCKET NO. 44849

APPLICATION OF VM NEIGHBORS  
WATER GROUP FOR EXEMPT  
UTILITY REGISTRATION

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OF TEXAS

## ORDER

This Order addresses VM Neighbors Water Group's application for exempt utility registration. The Commission approves the application.

The Commission adopts the following findings of fact and conclusions of law:

### I. Findings of Fact

#### Procedural History

1. On June 16, 2015, VM Neighbors filed an application for exempt utility registration for water service.
2. On June 18, 2015, Order No. 1 was issued requiring Commission Staff to file comments on administrative completeness of the application, how the application should be processed, and a proposed procedural schedule.
3. On July 15, 2015, Commission Staff filed a response to Order No. 1 recommending that the application be deemed deficient. Staff further recommended that because this docket was contingent upon decertification of VM Neighbors' property from the certificated area of Childress Creek Water Supply Corporation (Childress Creek), certificate of convenience and necessity (CCN) number 11000 in Docket No. 44843,<sup>1</sup> that VM Neighbors' best option would be to request to abate this proceeding until the processing of Docket No. 44843 is completed.
4. On July 16, 2015, Order No. 2 was issued deeming the application deficient and establishing deadlines for VM Neighbors to cure the deficiencies and requiring VM

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<sup>1</sup> *Application of Childress Creek Water Supply Corporation to Amend its Water Certificate of Convenience and Necessity in Bosque County by Decertifying the VM Neighbors Water Group Tracts*, Docket No. 44843 (Sep. 7, 2016).

Neighbors to request an abatement until the full processing of Docket No. 44843 or to explain how this docket could continue without the relief requested in Docket No. 44843.

5. On August 14, 2015, VM Neighbors filed a response to Order No. 2 requesting to abate this docket and requesting an extension to respond to deficiencies in the application.
6. On August 20, 2015, Order No. 3 was issued granting VM Neighbors request to abate and cancelling all previously established deadlines.
7. On September 7, 2016, the Commission issued a Notice of Approval of Childress Creek's application to amend its CCN in Docket No. 44843.
8. On November 8, 2016, VM Neighbors filed a status update in this docket informing the Commission that it would move to lift the abatement soon.
9. On May 30, 2017, Order No. 4 was issued requiring VM Neighbors to file a status report or motion to lift the abatement by June 16, 2017.
10. On June 9, 2017, VM Neighbors filed a status update notifying the Commission of VM Neighbors' process to elect new directors and officers and its intent to file a motion to lift the abatement thereafter.
11. On June 30, 2017, Order No. 5 was issued requiring another status update from VM Neighbors.
12. On July 3, 2017, VM Neighbors filed a status update informing the Commission of an agreed schedule with Commission Staff to move to lift the abatement and supplement its application.
13. On July 28, 2017, VM Neighbors filed a motion to lift the abatement and a supplement to the application.
14. On August 1, 2017, Order No. 6 was issued granting VM Neighbors' motion to lift the abatement and setting a deadline for Commission Staff to file a recommendation on administrative completeness of the amended application.
15. On August 28, 2017, Commission Staff recommended that the application remained administratively incomplete because of the inclusion of area within the boundaries of the Middle Trinity Groundwater Conservation District.

16. On August 29, 2017, Order No. 7 was issued declaring the application administratively incomplete and setting a deadline for VM Neighbors to cure the deficiencies in the application by securing written authorization from the Middle Trinity Groundwater Conservation District.
17. On September 25, 2017, VM Neighbors filed a response to Order No. 7 including information showing that the Middle Trinity Groundwater Conservation District is not a district of the type from which VM Neighbors needs written authorization to operate.
18. On September 29, 2017, Commission Staff filed its recommendation that the application be found sufficient and proposed a procedural schedule.
19. On October 4, 2017, Order No. 8 was issued deeming the application administratively complete and setting a procedural schedule.
20. On November 1, 2017, Commission Staff filed a final recommendation for approval of the application, final map, and tariff.
21. On November 14, 2017, VM Neighbors filed a response to Commission Staff's final recommendation and request for extension to file an agreed revised tariff.
22. On November 14, 2017, Order No. 9 was issued granting VM Neighbors' request for an extension and amending the procedural schedule.
23. On December 13, 2017, VM Neighbors filed a supplemental response and an agreed revised tariff.
24. On December 28, 2017, the parties filed a joint request to admit evidence.
25. On February 27, 2018, Order No. 10 was issued admitting evidence into the record of this proceeding.
26. The map and tariff referenced in findings of fact 20 and 23 are attached to this Order.

**Certificate Not Required**

27. VM Neighbors is a utility that has less than 15 potential service connections.
28. VM Neighbors is not owned by or affiliated with a retail public utility or any other provider of potable water service.

29. VM Neighbors is not within the certificated area of another retail public utility.
30. VM Neighbors is not within the corporate boundaries of a district or municipality.

**Informal Disposition**

31. VM Neighbors and Commission Staff are the only parties to this proceeding.
32. No issues of fact or law remain disputed by any party.

**II. Conclusions of Law**

1. The Commission has jurisdiction over the application under Texas Water Code § 13.242(c)<sup>2</sup> and 16 Texas Administrative Code (TAC) § 24.103(e).
2. VM Neighbors is eligible to operate without a CCN under TWC § 13.242(c) and 16 TAC § 24.103(e).
3. The application was processed in accordance with the requirements of TWC § 13.242(c) and 16 TAC § 24.103(e).
4. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

**III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:


1. The Commission approves VM Neighbors' application for exempt utility registration.
2. VM Neighbors is registered as an exempt water utility and assigned Exempt Registration No. N0076.
3. The tariff attached to this Order is approved.
4. All other motions and any other requests for general or specific relief, if not expressly granted, are denied.

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<sup>2</sup> Tex. Water Code Ann. § 13.242(c) (West 2008 & Supp. 2017) (TWC).

Signed at Austin, Texas the 20th day of March 2018.

**PUBLIC UTILITY COMMISSION OF TEXAS**

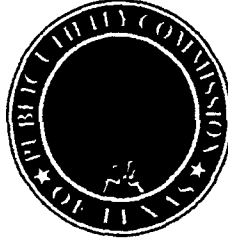


**DEANN T. WALKER, CHAIRMAN**



**BRANDY MARTY MARQUEZ, COMMISSIONER**

  
**ARTHUR C. D'ANDREA, COMMISSIONER**



## EXEMPT UTILITY WATER TARIFF FORM

Docket No. 44849

Exempt Registration No. N0076

VM Neighbors Water Group  
(Water System Name)

(254)576-1941 and (254)576-1314  
(Phone Number)

406 NE 6<sup>th</sup> St.  
(Utility Address)

Hubbard, Texas 76648  
(City, State, Zip Code)

### Rate Schedule

5/8" or 3/4"

1"

1 1/2"

2"

### Monthly Minimum Charge

\$25.00 (Includes 0 gallons)

\$150.00 (Includes 0 gallons)

\$200.00

\$300.00

### Gallonge Charge

\$3.00 per 1,000 gallons up to 8,000 gallons

\$4.00 per 1,000 gallons, 8,001 to 15,000 gallons

\$4.75 per 1,000 gallons thereafter

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash   , Check X, Money Order X, Credit Card   , Other (specify)   

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT..... 1.0%

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

TAP FEE..... 500.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

OTHER EXTENSION FEES..... \$0.00

### RECONNECTION FEE

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

a) Non-payment of bill (not to exceed \$25 without justification) ..... \$25.00

b) Customer's request ..... \$50.00

A CUSTOMER REQUESTING SERVICE WHERE SERVICE HAS PREVIOUSLY BEEN PROVIDED MUST PAY A RECOMMENDATION FEE

TRANSFER FEE..... \$35.00

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

Docket No. 44849

RATE SCHEDULE (Continued)

LATE CHARGE.....	<u>\$5.00</u>
FOR BILL NOT RECEIVED BY DUE DATE. (SELECT EITHER \$5.00 OR 10%).	
RETURNED CHECK CHARGE .....	<u>\$25.00</u>
CUSTOMER DEPOSIT .....	<u>\$0.00</u>
METER TEST FEE (Not to exceed \$25) .....	<u>\$25.00</u>
METER RELOCATION FEE .....	<u>Actual Relocation Cost, Not to Exceed Tap Fee</u>
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.	

The attached Service Rules are part of this tariff.

CUSTOMER NOTICE: THIS UTILITY SERVICE PROVIDER IS EXEMPT FROM MANY OF THE REQUIREMENTS FOR UTILITIES, BUT IT STILL MUST COMPLY WITH THESE SERVICE RULES. THE COMMISSION WILL NOT REVIEW RATE CHANGES UNLESS PROTESTED BY AT LEAST 50% OF THE CUSTOMERS WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THE RATE CHANGE.



REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES

Rate Changes - Rates can be changed no more than once per year without the approval of the Commission. Customers will be given a notice of rate change which states the effective date of the rate change, the old rates, the new rates, the Commission's address and a statement that written protests can be submitted to the Commission.

Application for and Provision of Water Service

All new applicants will be given a copy of this Exempt Utility Tariff.

Where service has been disconnected for nonpayment of a bill, service will be reconnected within one working day after the customer has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service line from the utility's point of connection on the customer's property to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Refusal of Service

This exempt utility is not required to have a designated service area and is not obligated to serve every applicant for service but is required to provide service in a nondiscriminatory manner.

Customer Deposits

Refund of deposit - If service is not connected, or after permanent disconnection of service to a customer, the utility will promptly refund, within 30 days, the customer's deposit or the balance, if any, in excess of the unpaid bills for service furnished.

Every service applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills, meter tampering, bypassing of meter or failure to comply with applicable state and municipal regulations or regulations of the utility shall be required, before service is resumed, to pay all amounts due the utility or execute a deferred payment agreement, if offered, and may be required to pay a deposit if the utility does not currently have a deposit from the customer. The burden shall be on the utility to prove the amount of utility service received but not paid for and the reasonableness of any charges for such unpaid service, as well as all other elements of any bill required to be paid as a condition of service restoration.

Meter Requirements, Readings, and Testing

One meter or connection may be required for each customer. The exempt utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make a test of the accuracy of the customer's meter. The test may be made using a container of known volume.

A meter test will cost \$25.00. Following the completion of any requested test, the utility will promptly advise the customer in writing of the results. If the meter is in error by more than 3% the meter should be replaced at the utility's expense. Meters will be read at (preferably monthly) intervals.

REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES (Continued)Billing

Bills from the utility will be mailed at intervals specified in the service agreement. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees, is not received at the designated payment location by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

Late Fee - A late penalty may be charged (if listed on the tariff) on bills received after the due date. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide at least the following: The total amount due for water service, the due date of the bill and a telephone number (or numbers) for customers to call if they have questions.

Metered Service

If service is metered the bill must also state the date and reading of the meter at the beginning and end of the period for which the bill is rendered, and the numbers of gallons consumed.

Service Disconnection and Disputed Bills

If a customer or applicant for service files a complaint about all or a portion of the bill, the utility will promptly investigate the matter and advise the complainant of the results. Service may not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he/she has recourse through the Public Utility Commission of Texas complaint process. Pending resolution of a complaint, the Commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

The exempt utility is encouraged, but not required, to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of disconnection has been given.

Notice of disconnection must be a separate mailing or hand delivery.

Utility service may also be disconnected without notice if an imminent hazard to the utility system exists.

The utility is required to reconnect service after a customer who has been disconnected for nonpayment pays a delinquent bill and any other applicable fees in accordance with this tariff and any applicable service agreement. The utility may permanently disconnect service to an existing customer only if authorized to in writing by the Commission after notice has been issued.

REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES (Continued)

Reconnection of Service

Service will be reconnected within 24 hours, unless otherwise stated on the service agreement, after the past due bill, reconnection fee and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected

A reconnection fee will be applied to the customer's account for reconnection of service. Payment of all service charges and fees must be received by 5:00 pm of the regularly scheduled work day in order to have water service reconnected that day. When service has been disconnected for nonpayment of a bill, service will be reconnected within one working day after the customer has met the requirements for reconnection, including paying the past-due bill, reconnection fee, and any other outstanding charges.

Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time.

Quality of Service

The utility will provide properly treated and disinfected water and facilities with sufficient pressure and capacity for reasonable consumer uses unless otherwise stated on the service agreement.

Standard Extension Requirements

All practices and policies related to the extension of service to new applicants or restoration of service must be reasonable and nondiscriminatory.

Specific Utility Rules (May not conflict with Commission required Rules. Attach additional pages if needed.)

WATER SERVICE APPLICATION/AGREEMENT

Date: \_\_\_\_\_

Exempt Utility Name VM Neighbors Water Group  
Business Address Street 406 NE 6<sup>th</sup> St.  
City, State, Zip Hubbard, TX 76648  
(AC) Telephone (254)576-1941

APPLICATION FOR WATER SERVICE

Name of Applicant/Customer: \_\_\_\_\_  
Service Location: \_\_\_\_\_  
Billing Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

Check Applicable Items:

☐ Residential ☐ Owner  
☐ Commercial ☐ Tenant

The Exempt Utility agrees to sell and deliver water to the Applicant and the Applicant agrees to purchase and receive water from the Utility in accordance with the rules and regulations required by the Public Utility Commission of Texas which are included in its Exempt Utility Tariff and any other rules or requirements contained in this agreement.

Water **will** ☐ **will not** ☐ be disinfected. The customer acknowledges that the utility does not treat or disinfect the water, and the water quality is represented on the attached water quality report. The customer agrees that any additional water testing the customer desires will be at his or her expense. Water **will** ☐ **will not** ☐ be measured by meters which are furnished, installed, owned and maintained by the Utility. The meter and/or connection is for the sole use of the Applicant/Customer to serve water to one dwelling, business or property. The Applicant/Customer shall not share, resell, or submeter water to any other dwelling, business, property, etc., without the specific written authorization of the Utility and in compliance with applicable laws and regulations.

The Utility has the right to locate a water service meter/connection and the pipe necessary to connect the meter to the utility's water main on the property of the Applicant at a point mutually agreeable to both the Utility and the Applicant. The Applicant/Customer will allow the Utility access at all reasonable times to its property and equipment located upon Applicant/Customer's premises for the limited purposes of reading the water meter, repairing or replacing existing facilities and the inspection of the Applicant/Customer's facilities to check for illegal connections or unsafe plumbing practices or cross-connections, in compliance with the requirements of the Texas Commission on Environmental Quality's "Rules and Regulations for Public Water Systems."

The Applicant will install, at his own expense, a service line from the water meter/connection to the Applicant's point of use which **includes** ☐ /**does not include** ☐ a cutoff valve on the Applicant's side of the water meter/connection. The Applicant/Customer will be responsible for maintenance and repair of the Applicant/Customer's service line. The Applicant/Customer shall hold the Utility harmless from any and all claims or demands for damage to real or personal property occurring from the point the Applicant/Customer ties on the water meter/connection to the final destination of the line installed by Applicant/Customer.

The Applicant agrees to grant to the Utility an easement/right-of-way for the purpose of installing, maintaining and operating such pipe lines, meters, valves, and any other equipment which may be deemed necessary for the provision of Utility service to that Applicant/Customer. The Utility will attempt to restore the Applicant/Customer's property to its original condition after installation or repairs. This easement may be in such form as is required by the Utility. The Applicant/Customer agrees not to interfere with the Utility's employees in the discharge of their duties. The Applicant/Customer will not permit anyone except the Utility's employees to tamper with or interfere with any of the utility's equipment installed on the Applicant/Customer's premises.

The Applicant/Customer shall not operate the utility's meter shut-off located on the supply-side of the water meter. The Applicant/Customer will only use the shut-off valve on customer's side of the meter. The Applicant/Customer shall not attached any ground wire to any plumbing connected to the Utility's distribution system.

The Applicant/Customer shall not connect any other source to any water lines served by the Utility's public water supply system. Applicant/Customer shall disconnect from any other source of water prior to connecting to the Utility's system, and shall eliminate any present or future cross-connection in the Applicant/Customer's system.

Non-Standard Service

Will the Applicant's use of water place unique, non-standard service demands upon the system or require any special facilities?

☐ No ☐ Yes If yes, please describe.

OTHER AGREEMENTS OR REQUIREMENTS FOR SERVICE

The service applicant has been provided a copy of the utility's Exempt Utility Tariff and agrees to pay the rates in the tariff and abide by the requirements in this service agreement. This utility is exempted from most of the requirements for water utilities as long as service is provided in accordance with the Exempt Utility Tariff. The Commission will not review rate changes by the utility unless it receives written protests from at least 50% of the customers within 90 days after the effective date of a rate change.

\_\_\_\_\_  
Applicant/Customer's Signature

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

\$\_\_\_\_\_ Tap Fee Collected

\$\_\_\_\_\_ Deposit Collected

Service will be connected at the service location on or about \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Utility Representative

Date \_\_\_\_/\_\_\_\_/\_\_\_\_