



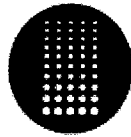
Control Number: 45317



Item Number: 9

Addendum StartPage: 0

RECEIVED  
2016 JAN -7 AM 9:13  
PUBLIC UTILITY COMMISSION  
FILING CLERK



**Monarch  
Utilities I, L.P.**

**A SouthWest Water Company**

Customer Service  
866.654.SWWC (7992)

January 6, 2016

Public Utility Commission of Texas  
Attention: Filing Clerk  
1701 Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

Re: Docket 45317, Application of Monarch Utilities I, L.P. to Acquire Romark Utility Company (CCN 10116) and Amend CCN 12983

To Whom It May Concern:

Please accept this response of SWWC Utilities, Inc. to the Commission's Order No. 1 in the above referenced matter. We have been ordered to cure the deficiencies by January 7, 2016 and therefore this response is timely filed. Our response to each of the alleged deficiencies noted in the staff's memo is provided below by number.

Item 2. Order the Applicants to provide proof that Monarch and Romark paid their Regulatory Assessment Fees (RAF) in full to Texas Commission on Environmental Quality (TCEQ).

**RESPONSE: See attached documentation that shows Monarch Utilities I, L.P. paid its regulatory assessment fees for 2014. The regulatory assessment fee for 2015 is not due until January 30, 2016 and Monarch will have paid by then. Also attached is documentation that Romark has paid its fees, including 2015 fees, to the TCEQ.**

Item 3. Order the Applicants to complete #13 of the application and to provide a detailed list of the utility plant in service to be transferred to Monarch.

**RESPONSE: Attached is a copy of initialed Item 13 of the application. The original was sent to the PUC on November 18, 2015. The list of assets to be transferred from Romark to Monarch is also attached.**

Item 4. Order the Applicants to submit a legible copy of Romark's tariff.

**RESPONSE: Attached are legible copies of the tariff.**

9

Docket 45317  
January 6, 2016  
Page 2

Item 5. Order the Applicant to provide confirmation that there are no customers in the area of decertification. Alternatively, if there are any customers in the area of decertification, to provide a description of how each customer's service will or will not be affected;

**RESPONSE:     Confirming: there are no customers or utility facilities in the area of decertification.**

Item 6. Inform the Applicants that:

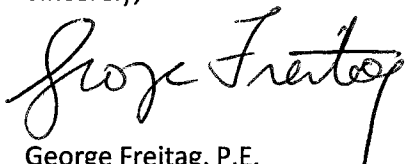
c. During the technical review phase of the application, the Applicants will be required to provide consent from Trinity River Authority of Texas (Trinity) regarding the proposed overlap with Trinity.

**RESPONSE:     We are unaware that Trinity has a certificated service area or unaware of any other overlap issues. However, we have contacted the TRA and are working with it to get consent.**

And, we will implement appropriately the additional information provided by the staff in Item 6 regarding the notice.

We believe this information should be more than adequate to eliminate the deficiencies noted by the PUC staff. However, please contact me if there are still questions or if any additional information is required.

Sincerely,



George Freitag, P.E.  
Texas Regulatory Manager  
SouthWest Water Company  
SWWC Utilities, Inc.  
(512) 219-2288  
gfreitag@swwc.com

Enclosures

# WIRE PMT

**Lesa Griffin**

**From:** Julia Carman  
**Sent:** Friday, January 30, 2015 4:44 PM  
**To:** AP - Wire Payments  
**Subject:** TCEQ Annual Fees \$402,707.00  
**Attachments:** TCEQ Annual Fees \$402,707.00.pdf

Please code this ACH as follows:

1007056 TCEQ 01/30/2015

1003540

*Inv # WP 013015*

Co	Acct	Center	Amount
2000	270605	100700	(52.00) ✓
2000	270605	100701	7,796.00 ✓
2000	270605	100704	(457.00) ✓
2000	270605	100705	19,729.00 ✓
2000	270605	100706	18,514.00 ✓
2000	270605	100712	1,047.00 ✓
2000	270605	100716	2,483.00 ✓
2000	270605	100710	1,402.00 ✓
2000	270605	100725	390.00 ✓
3020	270605	100717	(3,067.00) ✓
3020	270605	100718	214,057.00 ✓
3020	270605	100719	39,285.00 ✓
3040	270605	100721	(1.00) ✓
3040	270605	100722	3,606.00 ✓
2000	270605	100711	205.00 ✓
2000	270605	100703	15,482.00 ✓
2000	270605	100707	(383.00) ✓
2000	270605	100708	46,564.00 ✓
2000	270605	100709	- ✓
2000	270605	100726	36,107.00 ✓
			<u>402,707.00</u> ✓

*1010 1900059341*  
*2000 1900014400*  
*3020 1900017689*  
*3040 1900000227*  
*1010 1500000932*  
*1010 100012985*

Monarch Utilities I, LP

Thanks,

Julia

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**  
 Revenue and Regulatory Assessment Report  
 For PUBLIC UTILITY

UTILITY: MONARCH UTILITIES I

ACCOUNT: 12983

Revenue and Regulatory Assessment Report for the Calendar Year 2014	
1. Enter total revenues from retail water and sewer service in year 2014	1. 25,388,011
2. Enter amount collected OR multiply item 1 by 0.01	2. 253,880
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3. 0
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4. 0
5. Amount due and payable (Add lines 2, 3, and 4).	5. 253,880

Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature Bruce Connolly Date 1 / 23 / 15  
 Preparer's name Bruce Connolly Phone number 281-207-5800  
 (Please Print)

VIPP Form WC0406 / TCEQ-20080

Calendar Year 2014  
**REVENUE & REGULATORY ASSESSMENT REPORT**  
 For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM  
 WITH CHECK OR MONEY ORDER PAYABLE TO:



**TEXAS COMMISSION ON  
 ENVIRONMENTAL QUALITY**

MONARCH UTILITIES I  
 12535 REED RD  
 SUGAR LAND, TX 77478-2837

AMOUNT ENCLOSED	ACCOUNT NO.
253,880	12983

CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUMBER HAVE CHANGED, PLEASE INDICATE ADDRESS OR PHONE NUMBER CHANGE ON BACK.

**PAYMENTS NOT RECEIVED BY JANUARY 30,  
 WILL RECEIVE A NOTICE OF VIOLATION**

0000012983 1533242 0000000000130151

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Revenue and Regulatory Assessment Report  
For PUBLIC UTILITY

UTILITY: ROMARK UTILITY

ACCOUNT: 10116

Revenue and Regulatory Assessment Report for the Calendar Year 2015	
1. Enter total revenues from retail water and sewer service in year 2015	1. 79,802. <sup>45</sup>
2. Enter amount collected OR multiply item 1 by 0.01	2. 798. <sup>02</sup>
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3. <del>0</del>
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4. <del>0</del>
5. Amount due and payable (Add lines 2, 3, and 4).	5. 798. <sup>02</sup>

Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature Robert M. Smith Date 1/5/16

Preparer's name Robert M. Smith (Please Print) Phone number 936-327-8262

VIPP Form WC04C5 / TCEQ-20098

Calendar Year 2015  
**REVENUE & REGULATORY ASSESSMENT REPORT**  
For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM  
WITH CHECK OR MONEY ORDER PAYABLE TO:



**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

AMOUNT ENCLOSED	ACCOUNT NO.
798. <sup>02</sup>	10116

CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUMBER HAVE CHANGED. PLEASE INDICATE ADDRESS OR PHONE NUMBER CHANGE ON BACK.

**PAYMENTS NOT RECEIVED BY JANUARY 30,  
WILL RECEIVE A NOTICE OF VIOLATION**

ROMARK UTILITY  
PO BOX 2216  
LIVINGSTON, TX 77351-0044

0000010116 1533242 00000000000130163

**ROMARK UTILITY COMPANY**  
**ROBERT M. SMITH**  
P O BOX 2218 PH 936-327-8262  
LIVINGSTON, TX 77351

12483

86-549/1131



Date 1/5/16

PAY to the order of

29,600

\$ 798.02

Robert M. Smith - Treasury Dept

First National Bank  
of Livingston

COMMITTED TO QUALITY AND SERVICE

P.O. Box 071 Livingston, Texas 77351-0071 936-327-1234  
www.fnbmlivingston.com Member FDIC

FOR

2015 Regulatory Fee

R.M. Smith



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Revenue and Regulatory Assessment Report For PUBLIC UTILITY

UTILITY: ROMARK UTILITY COMPANY

ACCOUNT: 10116

Revenue and Regulatory Assessment Report for the Calendar Year 2014	
1. Enter total revenues from retail water and sewer service in year 2012	\$80,378.76
2. Enter amount collected OR multiply item 1 by 0.01	\$803.78
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3. \$80.37
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4. \$803.78
5. Amount due and payable (Add lines 2, 3, and 4).	5. \$1687.93

Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature R.M. Smith

Date 1/5/2016

Preparer's name R.M. Smith  
(Please Print)

Phone number 936-327-8262

VIPP Form WC04C5 / TCEQ-20098

Calendar Year 2012  
REVENUE & REGULATORY ASSESSMENT REPORT  
For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM WITH CHECK OR MONEY ORDER PAYABLE TO:



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AMOUNT ENCLOSED	ACCOUNT NO.
\$1687.93	10116

CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUMBER HAVE CHANGED. PLEASE INDICATE ADDRESS OR PHONE NUMBER CHANGE ON BACK.

PAYMENTS NOT RECEIVED BY JANUARY 30, WILL RECEIVE A NOTICE OF VIOLATION

ROMARK UTILITY COMPANY  
PO BOX 2216  
LIVINGSTON, TX 77351-0044

0000010116 1533242 00000000000130130





**ROMARK UTILITY COMPANY  
ROBERT M. SMITH**

P O BOX 2216 PH 936-327-8262  
LIVINGSTON, TX 77351

12482

88-945/1131

Date 1/5/16

FRAGILE

PAY to the  
Order of

*J. C. E. J.*

\$ 1687.93

*SEVEN THOUSAND EIGHT HUNDRED AND 93/100*

First National Bank

COMMITTED TO QUALITY AND SERVICE

P.O. Box 871 Livingston, TX 77021-0871 936-327-1234  
www.fnblivingston.com Member FDIC

FOR

*2014 Regulatory fees*

*R.M. Smith*

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

## Revenue and Regulatory Assessment Report

### For PUBLIC UTILITY

UTILITY: ROMARK UTILITY COMPANY

ACCOUNT: 10116

Revenue and Regulatory Assessment Report for the Calendar Year 2013	
1. Enter total revenues from retail water and sewer service in year 2013	# 77,203. <sup>22</sup>
2. Enter amount collected OR multiply item 1 by 0.01	<del>#</del> 772. <sup>03</sup>
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3. # 77. <sup>20</sup>
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4. # 1621. <sup>20</sup>
5. Amount due and payable (Add lines 2, 3, and 4).	# 2,470. <sup>43</sup>

Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature *R.M. Smith*

Date 1, 5, 16

Preparer's name R.M. Smith

Phone number 936-327-8262

(Please Print)

VIPP Form WC04C5 / TCEQ-20098

Calendar Year 2013

## REVENUE & REGULATORY ASSESSMENT REPORT

For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM WITH CHECK OR MONEY ORDER PAYABLE TO:

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AMOUNT ENCLOSED	ACCOUNT NO.
# 2,470. <sup>43</sup>	10116

CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUMBER HAVE CHANGED. PLEASE INDICATE ADDRESS OR PHONE NUMBER CHANGE ON BACK.

**PAYMENTS NOT RECEIVED BY JANUARY 30, WILL RECEIVE A NOTICE OF VIOLATION**



ROMARK UTILITY COMPANY  
PO BOX 2216  
LIVINGSTON, TX 77351-0044

0000010116 1533242 00000000000130146

ROMARK UTILITY COMPANY  
ROBERT M. SMITH  
P O BOX 2216 PH 836-327-8262  
LIVINGSTON, TX 77361

12481

88.545/1131

Date

1/5/16

FRANCIS

PAY to the order of

J. C. E. J.

\$ 2470 <sup>43</sup>/<sub>100</sub>

Twenty-Four Hundred Seventy and 43/100

First National Bank

COMMITTED TO QUALITY AND SERVICE

P.O. Box 971 Livingston, Texas 77351-0971 936-327-1234  
www.fnb-livingston.com Member FDIC

FOR

2013 Regulatory fees

R.M. Smith



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Revenue and Regulatory Assessment Report  
For PUBLIC UTILITY

UTILITY: ROMARK UTILITY COMPANY

ACCOUNT: 10116

Revenue and Regulatory Assessment Report for the Calendar Year 2012	
1. Enter total revenues from retail water and sewer service in year 2012	1,175,183.99
2. Enter amount collected OR multiply item 1 by 0.01	2,8751.83
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3. 75.18
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4. 2481.07
5. Amount due and payable (Add lines 2, 3, and 4).	5. 3308.08

Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature Robert M. Smith

Date 1/5/16

Preparer's name Robert M. Smith  
(Please Print)

Phone number 936-327-8262

VIPP Form WC04C5 / TCEQ-20088

Calendar Year 2012  
**REVENUE & REGULATORY ASSESSMENT REPORT**  
For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM  
WITH CHECK OR MONEY ORDER PAYABLE TO:



**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

AMOUNT ENCLOSED	ACCOUNT NO.
3308.08	10116

CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUMBER HAVE CHANGED. PLEASE INDICATE ADDRESS OR PHONE NUMBER CHANGE ON BACK.

**PAYMENTS NOT RECEIVED BY JANUARY 30,  
WILL RECEIVE A NOTICE OF VIOLATION**

ROMARK UTILITY COMPANY  
PO BOX 2216  
LIVINGSTON, TX 77351-0044

0000010116 1533242 00000000000130130

**ROMARK UTILITY COMPANY**  
**ROBERT M. SMITH**  
P O BOX 2216 PH 936-327-8262  
LIVINGSTON, TX 77351

12480

88-545-123

*1/5/16*

PAY to the order of

*L. C. E. G.*

\$ *3,308.08*

*Three Thousand Three Hundred Eight*

First National Bank  
of Livingston

COMMITTED TO QUALITY AND SERVICE

P.O. Box 571 Livingston, Texas 77251-0571 936-327-1234  
www.firstnationalbank.com Member FDIC

*R.M. Smith*

FOR

*2012 Regulatory Fees*



- If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number:  Date:

- If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

This application is to transfer, but also requests amendment and decertification of portions of the service area to be transferred. The current boundaries of the CCN area do not correctly fit the service area. The mapping data provided shows the requested changes (additions and deletions) from the existing boundaries to correct for previous map errors and misalignment of property boundaries. The electronic mapping data provided is based on the corrected boundaries. See Appendix D.

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	\$264,841 estimated
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	\$113,325 estimated
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials:  Date:

*FOR MONARCH UTILITIES I, L.P. 11/18/2015*

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

- All the customers will be charged the same rates as they were charged before the transaction.  
 Some  All customers will be charged different rates than they were charged before the transaction.

Romark Utility Company  
Oak Terrace Estates Water System  
PWS 1870055  
Water Plant

response to Item 3

LIST OF ASSETS TO BE TRANSFERRED

Building -Pump House	Wood		1	SF
Storage Tank 1	Bolted Steel	43,900	1	Ea.
Pressure Tank No. 1	Steel	5,000	1	Ea.
Rehab Tank	Rehab PT and GST		1	Ea.
Booster pump No 1	Berkley	5 hp	1	Ea.
Booster pump No 2	Meyers	5 hp	1	Ea.
Chlorinator	Olympic Gas		1	Ea.
Air Compressor		1/2 hp	1	Ea.
Fencing	Chain Link		120	LF
Electrical	230 volt/3-phase		1	Ea.
Well Site	partial lot			Ea.
Well No.2	approx. 40 gpm	4"	175	ft
Well Pump for No. 2	Grunfos		1	Ea.
Well No.1		4"	210	ft
Well Pump for No. 1				
Fencing	Chain Link	6'	40	LF
Electrical	230 volt / 1 phase		1	Ea.
Yard Piping			1	Ea.
Land & land rights	complete lot			Ea.
Distribution System 2" PVC			4662	LF
Distribution System 3" PVC			9041	LF
Distribution System 2" PVC			11525	LF
Distribution System 3" PVC			3614	LF
Distribution System 3" PVC			12600	LF
Distribution System 2" Valves			22	Ea.
Distribution System 3" Valves			6	Ea.
Distribution System 3" Valves			9	Ea.
Distribution System 3" Valves			11	Ea.
Distribution System Flush Valves			10	Ea.
Distribution System Flush Valves			10	Ea.
Services			115	Ea.

Schedule 1.1

List of Assets

Wood Building

43,900 Gallon Ground Storage Tank on concrete pad

5,000 Gallon Pressure Tank on concrete pad

Booster Pump No. 1 – 5hp Berkley

Booster Pump No. 2 – 5hp Meyers

Gas Chlorinator – Olympic

Air Compressor – ½ HP

6' Chain Link Fencing

Electrical 230 volt single phase

Electric control panels

Well No. 1 – 4"

Well Pump No.1 – Grunfos pump

Well No. 2

Distribution system consisting of 2", 3" 4" and 6" Pipe

Real Estate

Lot 56, Oak Terrace Estates #2

Portion of Lot 57, Oak Terrace Estates #2; to be determined after survey

Portion of Lot 58, Oak Terrace Estates #2; to be determined after survey



**WATER UTILITY TARIFF  
FOR**

Romark Utility Company  
(Utility Name)

108 S. Washington  
(Business Address)

Livingston, Texas 77351  
(City, State, Zip Code)

(936) 327-8262  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate(s) of Convenience and Necessity:

10116

This tariff is effective in the following county:

Polk

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Oak Terrace Estates; PWS# 1870055

**TABLE OF CONTENTS**

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE..... 2

SECTION 2.0 -- SERVICE RULES AND POLICIES ..... 4

SECTION 3.0 -- EXTENSION POLICY ..... 11

SECTION 4.0 -- DROUGHT CONTINGENCY PLAN .....15

APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B -- APPLICATION FOR SERVICE

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$43.50</u> (Includes 0 gallons)	<u>\$3.00</u> per 1000 gallons
1"	<u>\$87.00</u>	

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash\_\_\_\_, Check\_\_\_\_, Money Order\_\_\_\_, 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%  
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$450.00  
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.

TAP FEE (Unique costs) ..... Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) ..... Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE ..... \$25.00  
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

TRANSFER FEE ..... \$50.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

TEX. COM. ON ENVIRONMENTAL QUALITY  
200406 CON 10116 SEP 20 '02  
APPROVED TARIFF BY [Signature]

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$50.00

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) ..... 10%  
TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$25.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE ..... N/A  
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 SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

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

ENVIRONMENTAL QUALITY  
330046 Q.N 10116 SEP 20 '02

TCEQ TARIFF BY SL/BD