



Control Number: 45587



Item Number: 13

Addendum StartPage: 0

APPLICATION OF AQUA TEXAS,
INC. D/B/A AQUA TEXAS TO
AMEND ITS CERTIFICATES OF
CONVENIENCE AND NECESSITY IN
MONTGOMERY COUNTY
(ENCLAVE AT DOBBIN)

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BEFORE THE PUBLIC UTILITY

COMMISSION OF TEXAS

2016 APR 29 PM 1:11

PUBLIC UTILITY COMMISSION
FILING CLERK

AQUA TEXAS' SUPPLEMENTAL APPLICATION INFORMATION

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COMES NOW, Aqua Texas, Inc. d/b/a Aqua Texas ("Aqua Texas") and files this Supplemental Application Information. In support thereof, Aqua Texas would show the following.

On February 8, 2016, Aqua Texas, Inc. d/b/a Aqua Texas (Aqua Texas) filed with the Commission an application to amend its water certificate of convenience (CCN) No. 13203 and sewer CCN No. 21065 in Montgomery County, Texas pursuant to Texas Water Code §§ 13.242-250 and 16 TEX. ADMIN CODE §§ 24.101-.107.

Aqua Texas has both met with and communicated by telephone and e-mail with Commission Staff regarding the Application. As a follow-up to those meetings and discussions, Aqua Texas hereby files the following documents to supplement the Application currently on file in this docket.

1. Aqua Texas, Inc.'s Water Utility Tariff for Southeast Region (effective January 15, 2012)
2. Request for Service Letter for Montgomery County MUD 137
3. Information Sheet on Montgomery County MUD 136 from the TCEQ Districts Database

Upon review of the Application materials, Aqua Texas identified that the Water Utility Tariff for Southeast Region document included in Attachment 12 is not the effective Aqua Texas Water Utility Tariff for Southeast Region. In the Application, Aqua Texas is requesting approval to extend its effective Water Utility Tariff for Southeast Region and corresponding rates to the proposed

amendment area requested in the Application. The version included in Attachment 12 was issued in a Sale, Transfer, or Merger application matter and not in the latest Aqua Texas Southeast Region water rate case. The Water Utility Tariff attached hereto is Aqua Texas' effective Water Utility Tariff for the Southeast Region.¹ See **Exhibit 1**. The Sewer Utility Tariff for Southeast Region document included with the Application in Attachment 12 is the effective version of that document and there is no later effective version as with the water tariff.

In its discussions with Aqua Texas, Staff identified additional neighboring utilities within the required 2-mile area and requested that a request for service be sent to Montgomery County MUD 136 and Montgomery County MUD 137. Aqua Texas is attaching hereto the request for service sent to Montgomery County MUD 137. See **Exhibit 2**. However, Aqua Texas was unable to send a request for service the Montgomery County MUD 136 because the District is listed as inactive on the TCEQ's Water Districts Database and no address is provided. See **Exhibit 3**. In any case, both Montgomery County MUD 136 and Montgomery County MUD 137 received notice via the notice published by Aqua Texas on March 18 and 25, 2016 and Montgomery County MUD 137 received mailed notice as well. Neither District timely filed an intervention in this docket with the PUC, and the time for doing so has passed. Aqua Texas respectfully requests that the Application continues to be processed without delay.

Finally, Staff has requested that Aqua Texas request service from the City of Houston. Aqua Texas respectfully declines to submit a service request to the City of Houston. The City of Houston does not currently provide service in the area, the proposed service area is not located within the City's corporate boundaries or ETJ, and the City's closest facilities to the project are located well

¹ See May 20, 2012 Final Order in TCEQ Docket No. 2011-0241-UCR; SOAH Docket No. 582-11-3607; *Application of Aqua Texas, Inc., Aqua Utilities, Inc. and Aqua Development, Inc. dba Aqua Texas for a Water Rate Change in Brazoria, Chambers, Fort Bend, Grimes, Harris, Jefferson, Liberty, Montgomery, Polk, San Jacinto, Trinity and Wharton Counties*

over two miles from the proposed service area. The City of Houston is not a viable service provider for this project.

PRAYER

Aqua Texas, Inc. respectfully requests that the Honorable Administrative Law Judge accept the attached documents as a supplement to the Application materials previously filed in this docket and, ultimately, grant or recommend Commission approval for the Application.

Respectfully submitted,

By: 

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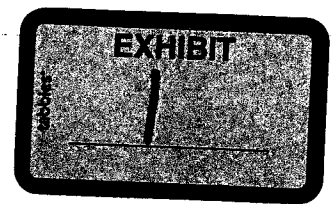
ATTORNEYS FOR AQUA TEXAS, INC.

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 29, 2016 in accordance with P.U.C. Procedural Rule 22.74.


Geoffrey P. Kirshbaum

WATER UTILITY TARIFF FOR Southeast Region



Aqua Texas, Inc., Aqua Utilities, Inc.
Aqua Development, Inc. dba Aqua Texas -Southeast
(Utility Name)

1106 Clayton Lane, Suite 400W
(Business Address)

Austin, Texas 78723
(City, State, Zip Code)

(512) 990-4400
(Area Code/Telephone)

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

11157, 12902 and 13203

This tariff is effective in the following counties:

Brazoria, Chambers, Fort Bend, Grimes, Harris, Jefferson, Liberty, Montgomery, Polk, San Jacinto, Trinity, Wharton

See attached Table – Southeast Region

The following is a list of the cities where Aqua Texas – Southeast provides service:

City of Cut and Shoot, City of Dayton, City of Houston, City of Pearland, City of Port Arthur & City of Weston Lakes

The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the TCEQ and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

This tariff is effective in the following subdivisions and public water systems:

See attached Table – Southeast Region

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

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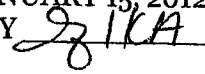
APPENDIX A -- SAMPLE SERVICE AGREEMENT
APPENDIX B -- APPLICATION FOR SERVICE

This tariff is effective for the following systems, subdivisions, and areas:

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
0200024	Wagon Wheel Estates Water System	Cas Con Acres Richland Hills Subdivision Wagon Wheel Estates	Brazoria	SE Region
0200617	Palm Crest	Palm Crest	Brazoria	SE Region
0360096	Plantation On Cotton Bayou	Plantation on Cotton Bayou	Chambers	SE Region
0790261	Niagra Public Water Supply	Niagra Subdivision Astro Service Area	Fort Bend	SE Region
0790385	Fulbrook Subdivision Water Plant	Fulbrook Subdivision	Fort Bend	SE Region
0790389	Shadow Grove Estates	Shadow Grove Estates	Fort Bend	SE Region
0790396	Rosemeadows III	Rosemeadows III	Fort Bend	SE Region
0790405	Riverwood Forest	Riverwood Forest	Fort Bend	SE Region
0790423	Lakes Of Mission Grove	Lakes of Mission Grove	Fort Bend	SE Region
0930042	West Magnolia Forest	West Magnolia Forest	Grimes	SE Region
1010068	Industrial Utilities Service	Jacintoport Industrial Park	Harris	SE Region
1010129	Glen Forest Estates	Glen Forest Estates	Harris	SE Region
1010254	Cypress Place	Cypress Place	Harris	SE Region
1010288	Mobile Home Estates	Mobile Home Estates	Harris	SE Region
1010307	Redwood Estates Mobile Home Park	Green River Estates Redwood Estates Mobile Home Park	Harris	SE Region
1010532	Candlelight Hills Subdivision	Candlelight Hills Subdivision	Harris	SE Region
1010535*	Pine Trails Utility	Pine Trails Subdivision	Harris	SE Region
1010622	Westgate Subdivision	Westgate Subdivision	Harris	SE Region
1010809	Bammel Oaks Estates 1	Bammel Oaks Estates Section 1	Harris	SE Region
1010810	Bammel Oaks Estates 2	Bammel Oaks Estates Section 2	Harris	SE Region
1010915	North Woods Estates	North Woods Estates	Harris	SE Region
1010947	Cricket Hill Estates	Cricket Hill Estates	Harris	SE Region

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
1011014	Brittmoore Utility	Blazer Business Park Tanner Business Park Hahls Suburban Farms Harcourt Farms Hilltop Acres Independence Farms Jersey Acres Perimeter Park PetroPark & PAR	Harris	SE Region
1011084	Boudreaux Gardens	Boudreaux Gardens	Harris	SE Region
1011510	Marks Glen Subdivision	Marks Glen Subdivision	Harris	SE Region
1011536	Kitzwood Subdivision	Kitzwood Subdivision	Harris	SE Region
1011633	Oak Manor	Oak Manor J&W	Harris	SE Region
1011647	Creeside Estates South	Creeside Estates South North Pines MHP	Harris	SE Region
1011651	Cypress Fields Subdivision	Cypress Fields Subdivision	Harris	SE Region
1011687	Atascocita Acres Subd.	Atascocita Acres Subdivision	Harris	SE Region
1011803	Oakwood Village Mobile Home Subdivision	Oakwood Village Mobile Home Subdivision	Harris	SE Region
1011860	Berry Hill Estates	Berry Hill Estates	Harris	SE Region
1011861	Rolling Oaks	Rolling Oaks	Harris	SE Region
1011865	Tasfield	Tasfield	Harris	SE Region
1011955	Peek Road Utilities	Peek Road Mobile Home Park (f/k/a Katy Estates)	Harris	SE Region
1012806	Alton Theiss Subdivision	Alton Theiss Subdivision	Harris	SE Region
1013041	Park Forest Water System	Park Forest Subdivision Secret Forest Subdivision	Harris	SE Region
1013050	Lakes Of Rosehill Water System	Lakes of Rosehill Mills Tract	Harris	SE Region
1013089	Heron Lakes Estates	Heron Lakes Estates Windfern Windfern Trace	Harris	SE Region
1013103	Stable Gates	Stable Gate(s)	Harris	SE Region
1013127	Fairway Crossing	Fairway Crossing	Harris	SE Region
1013144	Classic Pines Subdivision	Classic Pines Subdivision (f/ka Northbelt Forest II)	Harris	SE Region
1013153	Imperial Valley MHS	Imperial Valley MHS	Harris	SE Region
1013159	Hunters Village Subdivision	Hunters Village Subdivision	Harris	SE Region
1013187	Summer Lake Ranch	Summer Lake Ranch	Harris	SE Region
1013189	Country Club Green	Country Club Green	Harris	SE Region

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
1013195	Walraven Subdivision	Walraven Subdivision	Harris	SE Region
1013262	Estates Of Willow Creek	Estates of Willow Creek	Harris	SE Region
1013296	Cypress Creek Ranch	Cypress Creek Ranch	Harris	SE Region
1230037	Country Side Estates	Beauxart Gardens Cloverdale Addition Country Side Estates Shamrock Acres	Jefferson	SE Region
1460102	Cedar Estates	Cedar Estates Subdivision	Liberty	SE Region
1460115	South Dayton Oaks	South Dayton Oaks (former Champion Water Service Area)	Liberty	SE Region
1460136	Dayton Oaks Estate	Dayton Oaks Estates (former Champion Water Service Area)	Liberty	SE Region
1460141	Dayton Creek Water System	Dayton Creek (former Champion Water Service Area)	Liberty	SE Region
1700096	Crystal Forest Subdivision	Crystal Forest Subdivision	Montgomery	SE Region
1700128	Walnut Springs	Fawnwood Walnut Springs	Montgomery	SE Region
1700129	Dogwood Hills	Dogwood Hills	Montgomery	SE Region
1700134	Lake Conroe Forest Subdivision	Forest Water & Sewer Service Area Lake Conroe Forest Subdivision Lake Conroe Development Tejas Creek	Montgomery	SE Region
1700201	Westwood I & II	Westwood I & II	Montgomery	SE Region
1700216	Oakwood Acres	Oakwood Acres	Montgomery	SE Region
1700264	Deerwood Subdivision	Deerwood Subdivision	Montgomery	SE Region
1700279	Carriage Hills	Carriage Hills	Montgomery	SE Region
1700287	Turtle Creek	Turtle Creek Subdivision	Montgomery	SE Region
1700321	Wilshire Subdivision	Wilshire Subdivision	Montgomery	SE Region
1700324	Huntington Estates	Huntington Estates	Montgomery	SE Region

TEXAS COMM. ON ENVIRONMENTAL QUALITY
36797-R; CCNs 11157, 12902 & 13203; JANUARY 15, 2012
APPROVED TARIFF BY 

PWS #	TCEQ System Name	SUBDIVISION/ AREA SERVED	COUNTY	RATE REGION
1700437	Clear Creek Forest Section 12	Clear Creek Forest Section 12	Montgomery	SE Region
1700529	Lake Creek Forest	Lake Creek Forest	Montgomery	SE Region
1700543	Lake Conroe Village	Lake Conroe Village	Montgomery	SE Region
1700555	Cimarron Country	Cimarron County	Montgomery	SE Region
1700601	Brushy Creek Utility	Brushy Creek	Montgomery	SE Region
1700641	Timberloch Estates	Timberloch Estates	Montgomery	SE Region
1700651	Indigo Ranch	Indigo Ranch	Montgomery	SE Region
1700657	Woodland Ranch	Woodland Ranch	Montgomery	SE Region
1700665	Greenfield Forest	Greenfield Forest	Montgomery	SE Region
1700666	Old Egypt Subdivision	Old Egypt Subdivision	Montgomery	SE Region
1700670	White Oak Ranch Section One	White Oak Ranch	Montgomery	SE Region
1700702	Estates Of Legends Ranch	Estates of Legends Ranch Elan Tract	Montgomery	SE Region
1870155	Cedar Point	Cedar Point	Polk	SE Region
1870156	Lake Livingston Village Water Utility	Lake Livingston Village	Polk	SE Region
2040038	Camilla Twin Harbor	Camilla Twin Harbor	San Jacinto	SE Region
2280031	Port Adventure	Port Adventure	Trinity	SE Region
2410010	Pyssens Live Oaks Estates Subdivision	Pyssens Live Oaks Estates Subdivision	Wharton	SE Region

Notes:

****Pine Trails (PWS ID 1010535) has separate rates based on a separate settlement agreement effective December 1, 2011.***

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>
5/8" x 3/4"	<u>\$31.00</u> (Includes 0 gallons)
1"	<u>\$87.50</u>
1 1/2"	<u>\$175.00</u>
2"	<u>\$280.00</u>
3"	<u>\$560.00</u>
4"	<u>\$875.00</u>
6"	<u>\$1,750.00</u>
8"	<u>\$2,800.00</u>
10"	<u>\$4,025.00</u>
12"	<u>\$8,750.00</u>

Monthly minimum charge for any water meter size larger than 12" meter will be calculated using American Water Works Association approved meter equivalency factors.

Charges per 1,000 gallons used:

Gallonge Charge: \$3.70

Regional Pass through Gallonge Charge: \$1.3111

The calculation for the regional pass through gallonge charge must comply with the formula set out in Exhibit A of the settlement agreement entered into by all the parties.

REGULATORY ASSESSMENT.....1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

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

Cash X (if in person), 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.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$750.00
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 THIS TARIFF.

TAP FEE (Unique costs).....Actual Cost
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.

**RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 -- RATE SCHEDULE (Continued)

TAP FEE (Large meter) Actual Cost
THIS TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARDS 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.

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..... \$75.00

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

LATE CHARGE 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 \$50.00

CUSTOMER DEPOSITS - COMMERCIAL OR NON-RESIDENTIAL 1/6TH OF ESTIMATED ANNUAL BILL.

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.

METER SERVICE RELOCATION FEE (Customer's Request) Actual Cost
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

STANDARD METER INSTALLATION FEE..... \$150.00
TO BE CHARGE WHEN UNMETERED SERVICE EXISTS ON THE SYSTEM THAT SHOULD BE METERED TO BE IN COMPLIANCE WITH THE UTILITY'S TARIFF BUT THE CONVERSION OF THE SERVICE WOULD NOT REQUIRE A FULL TAP AND ALL OF ITS COSTS. THIS FEE WILL BE A SHARING OF COSTS BETWEEN THE CUSTOMER AND THE UTILITY. THE CUSTOMER MAY HAVE THE OPTION OF PAYING THE FEE OVER NO MORE THAN THREE (3) MONTHS.

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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. THE UTILITY MAY USE LICENSED 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 FEEActual Cost

THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NON-PAYMENT 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 METERS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES.

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 SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

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SECTION 1.0 -- RATE SCHEDULE (Continued)

REGIONAL 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, 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 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
CGC = current total volume charge per 1,000 gallons used (Gallorage Charge + Regional Pass-Through gallorage 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.
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).

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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:

$$\text{NRPTGC} = \text{ORPTGC} (+/-) \text{CRPTGC}$$

Where:

NRPTGC = New Regional Pass-Through Gallonage Charge;

ORPTGC = Original Regional Pass-Through Gallonage Charge;

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

$\text{CRPTGC} = ((\text{NVC} + (\text{VC} * \text{APV})) / (\text{RPV})) / (1 - \text{WL})$ Sum of all changes (all increases or decreases) since the 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.

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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

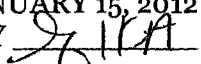
1. Prior to the beginning of the billing period in which the revision takes place, submit written notice to the TCEQ Executive Director with documentation supporting the line item Regional Pass-Through Gallonage Charge adjustment; and
2. Mail notice to affected customers separately at the beginning of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

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TEXAS COMM. ON ENVIRONMENTAL QUALITY
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APPROVED TARIFF BY 

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge*!</u>
5/8" x 3/4"	<u>\$31.00</u> (Includes 0 gallons)
1"	<u>\$87.50</u>
1 1/2"	<u>\$175.00</u>
2"	<u>\$280.00</u>
3"	<u>\$560.00</u>
4"	<u>\$875.00</u>
6"	<u>\$1,750.00</u>
8"	<u>\$2,800.00</u>
10"	<u>\$4,025.00</u>
12"	<u>\$8,750.00</u>

Monthly minimum charge for any water meter size larger than 12" meter will be calculated using American Water Works Association approved meter equivalency factors.

***! Pursuant to the separate settlement agreement between Aqua Texas and the ratepayers of Pine Trails CIA:**

2.1 To enhance fire protection for Pine Trails CIA, Aqua Texas agrees to fund a feasibility study to investigate whether the Pine Trails system may be used for fire protection by the Clover Leaf Fire Department. If the study indicates that the Pine Trails system can support additional line pressure, Aqua Texas will install a supplemental booster pump to increase line pressure in the event of fire consistent with the result of the feasibility study. The fire protection feasibility study and booster pump installation will be completed by March 31, 2012, provided that the feasibility report indicates that the Pine Trails system can tolerate additional pressure and that the Clover Leaf Fire Department cooperates with the feasibility study and planned upgrade. Pine Trails CIA understands and acknowledges that Aqua Texas will not replace or upgrade water lines in connection with this attempt to increase water pressure for fire protection. Pine Trails CIA further understands and acknowledges that the Pine Trails system will not be rated for fire protection and that the purpose of this provision is only to serve as a supplement to the normal fire protection offered by the Clover Leaf Fire Department.

2.2 If the feasibility study described in Paragraph 2.1 is not completed and implemented by March 31, 2012 because of reasons within the control of Aqua Texas, the monthly minimum charge set forth in **Exhibit A** shall be reduced by \$3.00 per water connection per month for Pine Trails CIA until such time as Aqua Texas completes and implements the feasibility study. This reduction shall not apply if the feasibility study is completed by March 31, 2012, but the feasibility study determines that it is not feasible to use the Pine Trails system for fire protection within the agreed upon parameters described in Paragraph 2.1.

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SECTION 1.0 -- RATE SCHEDULE (Continued)

Charges per 1,000 gallons used:

Gallage Charge: \$3.70

Regional Pass through Gallage Charge: \$1.3111

The calculation for the regional pass through gallage charge must comply with the formula set out in Exhibit A of the settlement agreement entered into by all the parties.

REGULATORY ASSESSMENT.....1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

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

Cash X (if in person), 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.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$750.00
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 THIS TARIFF.

TAP FEE (Unique costs)Actual Cost
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.

TAP FEE (Large meter)Actual Cost
THIS TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARDS 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.

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.....\$75.00

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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

LATE CHARGE10%

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\$50.00

CUSTOMER DEPOSITS - COMMERCIAL OR NON-RESIDENTIAL $\frac{1}{6}$ TH OF ESTIMATED ANNUAL BILL.

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.

METER SERVICE RELOCATION FEE (Customer's Request)Actual Cost

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE
RELOCATED.

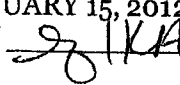
STANDARD METER INSTALLATION FEE.....\$150.00

TO BE CHARGED WHEN UNMETERED SERVICE EXISTS ON THE SYSTEM THAT SHOULD BE
METERED TO BE IN COMPLIANCE WITH THE UTILITY'S TARIFF BUT THE CONVERSION OF THE
SERVICE WOULD NOT REQUIRE A FULL TAP AND ALL OF ITS COSTS. THIS FEE WILL BE A
SHARING OF COSTS BETWEEN THE CUSTOMER AND THE UTILITY. THE CUSTOMER MAY HAVE
THE OPTION OF PAYING THE FEE OVER NO MORE THAN THREE (3) MONTHS.

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. THE UTILITY MAY USE
LICENSED UTILITY EMPLOYEES OR MAY HAVE THE INSPECTION PERFORMED BY A LICENSED
THIRD PARTY CONTRACTOR.

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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 FEEActual Cost

THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NON-PAYMENT 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 METERS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES.

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 SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

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APPROVED TARIFF BY SKA

SECTION 1.0 -- RATE SCHEDULE (Continued)

REGIONAL 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, 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 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
CGC = current total volume charge per 1,000 gallons used
(Gallorage Charge + Regional Pass-Through gallorage 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.
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).

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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:

$$\text{NRPTGC} = \text{ORPTGC} (+/-) \text{CRPTGC}$$

Where:

- NRPTGC = New Regional Pass-Through Gallonage Charge;
ORPTGC = Original Regional Pass-Through Gallonage Charge;
CRPTGC = Change in Regional Pass-Through Gallonage Charge; and
 $\text{CRPTGC} = ((\text{NVC} + (\text{VC} * \text{APV})) / (\text{RPV})) / (1 - \text{WL})$ Sum of all changes (all increases or decreases) since the 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.

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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.

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SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 - Texas Commission on Environmental Quality Rules

The utility will have the most current Texas Commission on Environmental Quality (TCEQ) Rules, Chapter 291, Water Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Water Service

All application for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within ten working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service. Notwithstanding any statement in this tariff to the contrary, the utility will serve each qualified applicant for service within the time limits prescribed in 30 TAC 291.85 (a)-(b) as that rule may be amended by the TCEQ.

Where service has previously been provided, service will be reconnected within three working days after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location 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.

Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TCEQ Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant a complaint may be filed with the Commission.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 of this tariff.

The utility will keep records of the deposit and credit interest in accordance with TCEQ Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

Section 2.05 - Meter Requirements, Readings, and Testing

All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers. One meter is required for each residential, commercial or industrial facility in accordance with the TCEQ Rules.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter Tests. - The 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 without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.06 - Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least 21 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 and the regulatory assessment, is not received at the utility or the utility's authorized payment agency 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.

A late penalty of 10% will be charged on bills received after the due date. Customer payments post marked by the due date will not incur a late penalty. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the TCEQ Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged 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 31 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the TCEQ Rules.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.08 - Reconnection of Service

Service will be reconnected within 36 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - 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. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Prorated Bills. - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules or in the TCEQ's "Rules and Regulations for Public Water Systems." The utility will not provide supply for fire prevention, fire flow, or fire fighting services as part of standard retail water service.

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will 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 has recourse through the TCEQ 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.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with TCEQ Rules to be effective.

The utility adopts the administrative rules of the TCEQ, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours. In the event of a conflict between the TCEQ's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the TCEQ rule in question to the degree that the utility may conduct its lawful business in conformance with all requirements of said rule.

All payments for utility service shall be delivered or mailed to the remittance address on the Utility bill received or paid using any method described on the Utility bill received. Cash payments are only accepted in person at designated payment locations as described in the Utility bill received. If the Utility or its authorized agent fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Customers shall not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers must install customer-owned and maintained cutoff valves on their side of the meter.

No water connection from any public drinking water supply system shall be made to any establishment where an actual or potential contamination or system hazard exists without an air gap separation between the drinking water supply and the source of potential contamination. The containment air gap is sometimes impractical and, instead, reliance must be placed on individual "internal" air gaps or mechanical backflow prevention devices.

Under these conditions, additional protection shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA Standards C510 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health. The water purveyor need not require backflow protection at the water service entrance if an adequate cross-connection control program is in effect that includes an annual inspection and testing by a certified backflow prevention device tester. It will be the responsibility of the water purveyor to ensure that these requirements are met.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

Limitation on Product/Service Liability. - Public water utilities are required to deliver water to the customer's side of the meter or service connection that meets the potability and pressure standards of the TCEQ. The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's side of the meter when the water delivered meets these state standards. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in water service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by TCEQ rules, (3) electrical power failures in water systems not required by TCEQ rule to have auxiliary power supplies, or (4) termination of water service pursuant to the utility's tariff and the TCEQ's rules. The utility is not required by law and does not provide fire prevention, fire flow, or fire fighting services. The utility therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. The utility will accept liability for any injury or damage to individuals or their property directly caused by defective utility plant (leaking water lines or meters) or the repairs to or construction of the utility's facilities.

If the services of a registered professional engineer are required as a result of an application for service received by the utility for service to that applicant's service extension only, such engineer will be selected by the utility and the applicant, and the applicant shall bear all expenses incurred therein.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by TCEQ rule) for the actual costs of, any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping storage and transmission.

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

Tap fees may be increased by unique costs not normally incurred as may be permitted by 30 TAC 291.86(a)(1)(C).

The utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 290.46(I). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the TCEQ, the Uniform Plumbing Code and with the service rules and regulations of the utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the utility subject to such requirements as may exist by TCEQ rule. No water service smaller than 5/8" will be connected. No pipe or pipe fitting which contains more than 8.0% lead can be used for the installation or repair of plumbing at any connection which provides water for human use. No solder or flux which contains more than 0.2% lead can be used at any connection which provides water for human use.

The utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

Threats to or assaults upon utility personnel shall result in criminal prosecution.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other water service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a water main abutting the premises.

No connection shall be allowed which allows water to be returned to the public drinking water supply. No backflow prevention device shall be permitted to be installed in the customer's plumbing without notice to and written permission from the utility. Any backflow prevention devices so installed shall be inspected annually by a licensed backflow prevention device inspector or appropriately licensed plumber and a written report of such inspection delivered to the utility.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

No application, agreement or contract for service may be assigned or transferred without the written consent of the utility. It is agreed and understood that any and all meters, water lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such meters, lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.

Applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications are required to deliver to the utility a certificate that their facilities have been inspected by a state-licensed inspector and that they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. Service may be denied until the certificate is received or any identified violations or hazards are remedied. The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer to locate and obtain the services of a licensed inspector in a timely manner. When potential sources of contamination are identified which, in the opinion of the inspector or the utility, require the installation of a state-approved backflow prevention device, such back flow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed plumber/back flow prevention device specialist at the customer's expense. The backflow prevention device shall be maintained by the customer at his expense and inspected annually by a licensed inspector. Copies of the annual inspection report must be provided to the utility. Failure to comply with this requirement may constitute grounds for termination of water service with notice.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply. Access to meters and cutoff valves shall be controlled by the provisions of 30 T.A.C. 291.89(c).

Where necessary to serve an applicant's property, the utility may require the applicant to provide it a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under TCEQ rule (customer service, health and safety, water conservation, or environmental), USEPA rule, TWDB rule, local water or conservation district rule or health department rule. Existing customers shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

Customers must make meters accessible to the Utility and its personnel. If they do not, the Utility may require the removal of the meter to another location according to Section 291.89(c) of the TCEQ's rules. The Utility will give the customer the option of converting to a remote radio read meter at the customer's expense in lieu of bearing the cost of relocating the meter and any Utility water lines necessitated by the customer's actions. If the customer does not accept this option, the customer will be charged for all incurred meter relocation costs. Before relocating the meter, the utility must provide the customer with written notice of its intent to do so.

This notice must include information on the estimated cost of relocating the meter, an explanation of the condition hindering access and what the customer can do to correct that condition, and information on how to contact the utility. The notice must give the customer a reasonable length of time to arrange for utility access so the customer may avoid incurring the relocation cost. A copy of the notice given to the customer shall be filed with the utility's records on the customer's account.

Customers shall not enclose meters with fences or other artificial barriers. If there is a fence in front of a meter, the customer shall install a gate or stile with 300 pound-load bearing capacity to enable meter readers and service crews to obtain ready access to the utility's property.

Lock removal or damage fee – This fee shall be accessed to the account holder of any delinquent account that has been terminated for non-payment by locking the meter and the lock has subsequently been removed or damaged without authorization by the utility in order to restore water service to the account holder's original place of service. This fee shall not be charged if the damaged meter fee is charged.

Damaged meter and appurtenances fee. – This fee shall be accessed to the account holder of any delinquent account that has been terminated for non-payment by locking the meter and meter or appurtenances such as the curb stop have been damaged requiring repair and/or replacement in an attempt to restore water service to the point of serve that was disconnected. The account holder shall be charged the full cost of repairing and/or replacing all damaged parts, including labor and vehicles. This will include replacement of meters that have had their locking eyes broken off the flanges.

Service applicants are free to have customer service inspections required by TCEQ Rule 290.46(j) by any state-licensed inspector of their choice.. They are encouraged to use a third party inspector and not an employee of the Utility. However, if they request the Utility to perform the inspection, it will be done at market prices. Since this is not a function of public water utility service, performing customer service inspections must take lower priority to fulfilling utility service responsibilities under the TCEQ's Chapter 290 and 291 rules.

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any oversizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

COST UTILITY SHALL BEAR. Within its Certificate of Convenience and Necessity ("CCN") service area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the TCEQ's Rules.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy that complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with TCEQ Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

The utility adopts the administrative rules of the TCEQ, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours. In the event of a conflict between the TCEQ's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the TCEQ rule in question to the degree that the utility may conduct its lawful business in conformance with all requirements of said rule.

When an individual residential applicant requires an extension of a main line beyond 200 feet, the charge to that applicant shall be the actual cost of such extension in excess of 200 feet, plus the applicable tap fee plus such other approved costs as may be provided in this tariff and/or TCEQ rules.

Residential tap fees may be increased by other unique costs not normally incurred as permitted by TCEQ rule. Larger meter taps shall be made at actual cost associated with that tap which shall include such extraordinary expenses.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 T.A.C. 291.86(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of production, transmission, storage, pumping and treatment facilities, compliant with the TCEQ minimum design criteria, which must be committed to such extension. As provided by 30 T.A.C. 291.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Unless expressly exempted by TCEQ rule or order, each point of use (as defined by 30 T.A.C. 291.3) must be individually metered.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, TCEQ rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the TCEQ or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

The Utility will provide a written service application form to the applicant for each request for service received by the utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service applications forms will be available for applicant pick up at the utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

The utility shall serve each qualified service applicant within its CCN service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by TCEQ rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The TCEQ service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a "qualified service applicant" as defined herein or by TCEQ rules.

The utility is not required to extend service to any applicant outside of its CCN service area and will only do so, at the utility's sole option, under terms and conditions mutually agreeable to the utility and the applicant and upon extension of the utility's certificated service area boundaries by the TCEQ. Service applicants may be required to bear the cost of the service area amendment.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

A "qualified service applicant" is an applicant who has: (1) met all of the utility's requirements of service contained in this tariff, TCEQ rules and/or TCEQ order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, (4) delivered an executed customer service inspection certificate to the utility and (5) has executed a customer service application for each location to which service is being requested.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line. The actual point of connection and meter installation must be readily accessible to utility personnel for inspection, servicing and meter reading while being reasonably secure from damage by vehicles and mowers. If the utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the utility's near service main with adequate capacity to service the applicant's full potential service demand. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the utility. If no agreement on location can be made, applicant may refer the matter to the TCEQ for resolution. Unless otherwise ordered by the TCEQ, the tap or service connection will not be made until the location dispute is resolved.

The utility shall require a developer (as defined by TCEQ rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by TCEQ rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, well plant sites shall convey with unrestricted rights to produce water for public drinking water supply. Developers shall be required to provide the utility with a minimum of a 160-foot radius sanitary control easement or fee simple real property conveyance around the proposed well site acceptable to the TCEQ for each water well site to be located within the developer's property or otherwise being obtained to serve the developer's property. Unless otherwise agreed to by the utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all production, storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by TCEQ rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

Prior to the extension of utility service to developers (as defined by TCEQ rules) or new subdivisions, the Developer shall comply with the following:

(a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.

(b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the utility to the Developer for final plat preparation.

(c) Copies of all proposed plats and plans must be submitted to the utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.

(d) The utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.

(e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual taps, meters and sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase

(f) At the sole option of the utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.

(g) The utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the utility may abate its construction for a similar period.

(h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

(i) The Developer, not the utility, shall insure that Developer's employees, agents, contractors and others under its control coordinate their work or construction throughout the property with the utility to insure the orderly and timely construction of all utility plant necessary to serve the public.

Within its CCN service area, the utility shall bear the cost of the first 200 feet of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision unless the utility can document:

(a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility; or,

(b) that the Developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the Developer declared bankruptcy and was therefore unable to meet obligations; and,

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (CONT.)

(c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main, whether or not that line has adequate capacity to serve that residential service applicant.

The following criteria shall be considered to determine the residential service applicant's cost for extending service:

(a) The residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution.

(b) Exceptions may be granted by the TCEQ Executive Director if:

(1) adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;

(2) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.

(c) If an exception is granted, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers.

A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

SECTION 4.0 -- DROUGHT CONTINGENCY PLAN
(Utility must attach copy of TCEQ approved Drought Contingency Plan)

WESTCHASE MADISON, INC.
340 NORTH SAM HOUSTON PARKWAY EAST, SUITE 140
HOUSTON, TEXAS 77060



April 27, 2016

Via CM/RRR# 9290 9081 8531 5700 0002 92
Montgomery County MUD 137
3200 Southwest FWY, STE 2600
Houston, TX 77027-7537

Re: Service Availability Request

Dear Montgomery County MUD 137:

I am contacting you on behalf of Westchase Madison, Inc. ("Developer"). Developer is in the process of working with Harris County Improvement District No. 17 ("District") and Aqua Texas, Inc. ("Aqua Texas") to obtain approval from the Texas Commission on Environmental Quality ("TCEQ") and Public Utility Commission of Texas ("PUC") for a new stand-alone public water system, new stand-alone wastewater treatment plant/collection system, and amended Aqua Texas water and sewer certificates of convenience and necessity in Montgomery County, Texas. These facilities and CCNs are planned for use to provide service to property within the District that comprises the 66.595 acres shown in **Attachment A** (the "Property").

You were identified as a retail public utility potentially possessing either a public drinking water supply system, sewer system, a water CCN, a sewer CCN, or a combination of same within a two-mile radius of the certificated water and sewer service areas and systems Developer plans to establish with Aqua Texas. PUC and TCEQ rules require that we contact neighboring retail public utilities as described to determine if an existing retail public utility is willing to provide retail water or sewer utility service to the Property in a manner that is competitive with what can be provided by the proposed new systems. Your service would need to be sufficient to meet the TCEQ/PUC minimum service standards plus local demands to the Property as described by this letter, thereby providing continuous and adequate service to the consuming public.

Within the next twelve months (Year 1), Developer anticipates a need for water and sewer service to the Property sufficient to supply 74 living unit equivalents ("LUEs") (one LUE should be considered approximately 250 gallons per day) with another 74 LUEs to follow in the next 12-month period (Year 2). Within the next five years, at full build-out Developer anticipates a need for water and sewer service to the Property sufficient to supply 296 LUEs. Development within the Property is anticipated to be residential.

In accordance with PUC/TCEQ requirements, Developer hereby requests retail water and sewer utility service from your retail public utility for development of the Property as described. If you are ready, willing, and able to provide water or sewer utility service sufficient to serve the Property in the manner described for this development, please return a copy of this letter with the included questionnaire completed and indicating your proposal. You may email your response to Dan Dodson at dodson1331@gmail.com or mail it to the address provided above.

Montgomery County MUD 137

April 27, 2016

Page 2

Your timely response to this inquiry is greatly appreciated. Please feel free to attach additional sheets or supporting documents as necessary to answer each question in the water and sewer service questionnaires. Please be advised that your response will be filed with the PUC, and, potentially, the TCEQ as required. If you do not respond within twenty days of the date of this letter, it will be presumed that you do not desire to or cannot provide retail water or sewer utility service to the Property in the manner needed. Your lack of response will also be reported to the PUC or TCEQ as required.

Sincerely,



Joe Fogarty

Manager

Westchase Madison, Inc.

Enclosures.

SERVICE QUESTIONNAIRE - WATER

1. Are you willing to provide water utility service to the property identified in **Attachment A** (the "Property")?

____yes ____no (mark appropriate statement with an X)

Please complete Question Nos. 2-11 only if your response to Question No. 1 was yes.

2. Do you currently have the service capabilities to provide continuous and adequate water utility service to the Property except for the mains necessary to interconnect the Property with your existing water utility system? ____yes ____no

3. Will you have to build additional water service capacities to serve the Property? ____yes ____no

4. What are the additional water service capacities that will be required for you to serve the Property?

5. What is the estimated cost for you to provide water service to the Property? \$_____

6. Of the amount identified in response to Question No. 5, what amount will be paid by the Developer and what amount will be paid by your retail public utility?

\$_____ to be paid by Developer \$_____ to be paid by your retail public utility

7. When will water service be made available by you to the Property?

8. Are there any other requirements for obtaining water service to the Property from you?

9. Has your water system been compliant with all TCEQ and PUC regulations for at least the past five consecutive years? ____yes ____no

10. Has your water system been compliant with all applicable non-TCEQ/PUC Federal, state, and local health, safety, and environmental statutes and regulations for at least the past five consecutive years? ____yes ____no

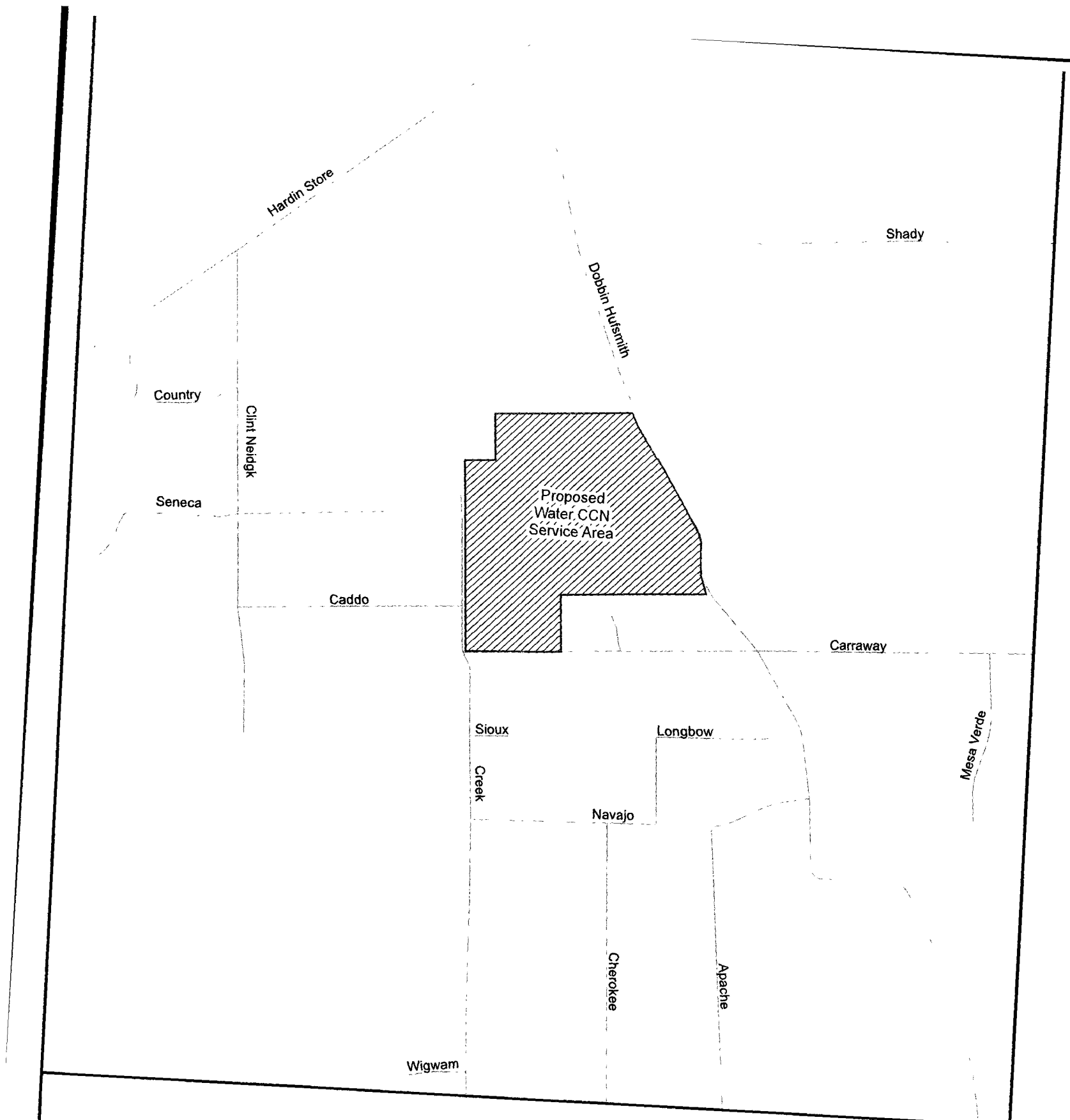
11. What are your retail water utility service rates? _____

(signature)

(print name)

(title)

(Retail Public Utility/Entity)



Aqua Texas Inc.
Proposed Amendment to Water CCN No. 13203
66.595 Acres of Land in Montgomery County



Proposed Water CCN Service Area



0 500 1,000
Feet

Map by S. Burt
Date October 7, 2015
Project proposedwater-largescale.mxd

SERVICE QUESTIONNAIRE - SEWER

1. Are you willing to provide sewer utility service to the property identified in **Attachment A** (the "Property")?

____yes ____no (mark appropriate statement with an X)

Please complete Question Nos. 2-11 only if your response to Question No. 1 was yes.

2. Do you currently have the service capabilities to provide continuous and adequate sewer utility service to the Property except for the mains necessary to interconnect the Property with your existing sewer utility system? ____yes ____no

3. Will you have to build additional sewer service capacities to serve the Property? ____yes
____no

4. What are the additional sewer service capacities that will be required for you to serve the Property?

5. What is the estimated cost for you to provide sewer service to the Property? \$ _____

6. Of the amount identified in response to Question No. 5, what amount will be paid by the Developer and what amount will be paid by your retail public utility?

\$ _____ to be paid by Developer \$ _____ to be paid by your retail public utility

7. When will sewer service be made available by you to the Property?

8. Are there any other requirements for obtaining sewer service to the Property from you?

9. Has your wastewater system been compliant with all TCEQ and PUC regulations for at least the past five consecutive years? ____yes ____no

10. Has your wastewater system been compliant with all applicable non-TCEQ/PUC Federal, state, and local health, safety, and environmental statutes and regulations for at least the past five consecutive years? ____yes ____no

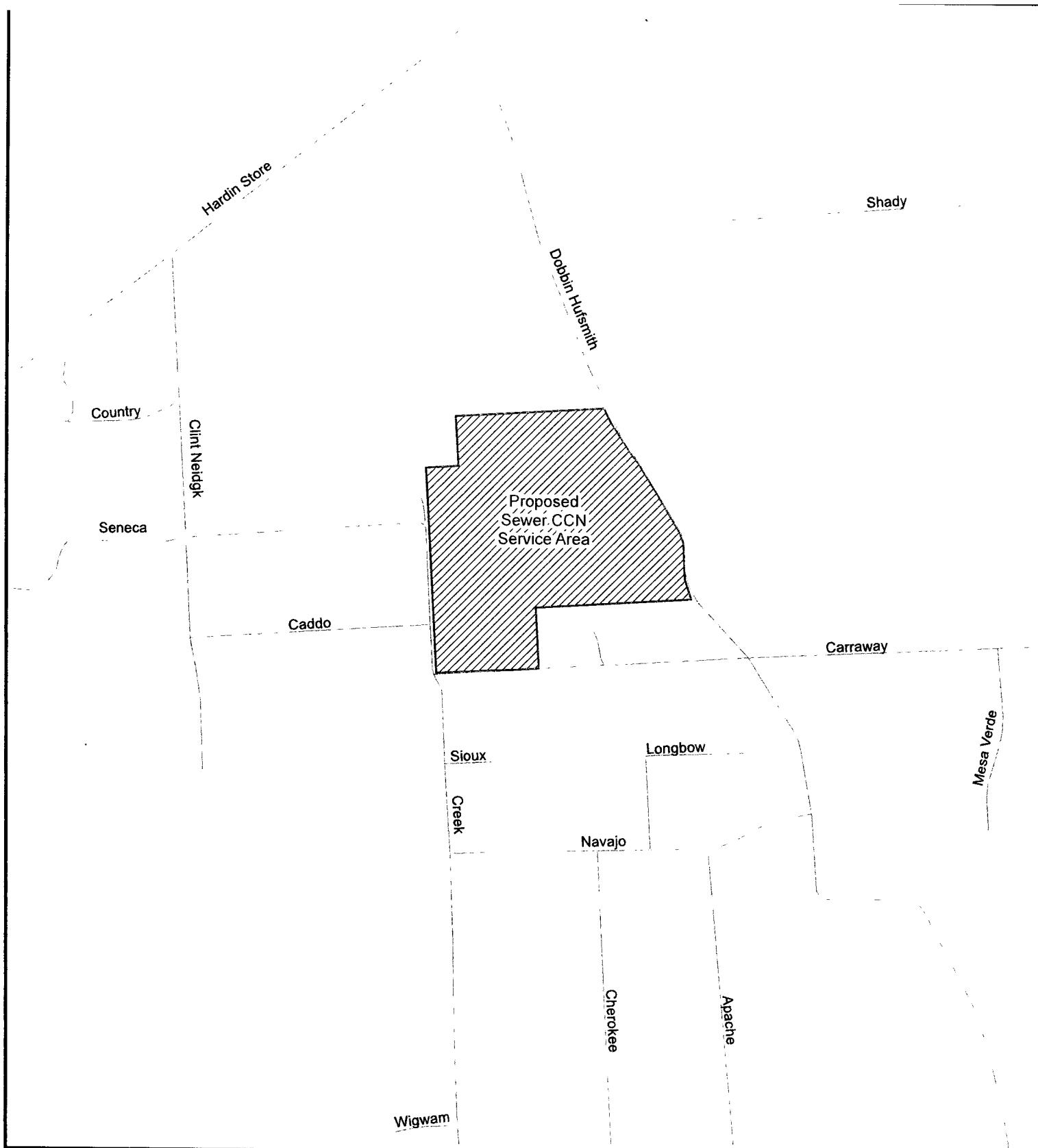
11. What are your retail sewer utility service rates? _____

(signature)

(print name)

(title)

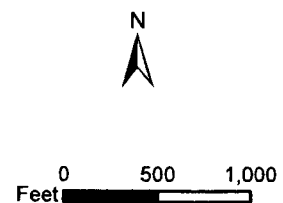
(Retail Public Utility/Entity)



Aqua Texas Inc.
Proposed Amendment to Sewer CCN No. 21065
66.595 Acres of Land in Montgomery County

 Proposed Sewer CCN Service Area

Map by S Burt
Date October 7, 2015
Project proposedsewer-largescale mxd





District Name: MONTGOMERY COUNTY MUD 136 (5858018)

Affiliations

Documents



Responsible Party

Organization: MONTGOMERY COUNTY MUD 136

Customers

Reference Number
CN604517003

Name
MONTGOMERY COUNTY MUD 136

Role
RESPONSIBLE PARTY

Official Address / Phone

Properties

CR Regulated Entity Number: RN107602054

CCEDS Status: NO ACTIVE NOE EXISTS

District Type: MUNICIPAL UTILITY DISTRICT

Creation Type: LEGISLATURE

Primary County: MONTGOMERY

Financial Status:

Acre Size: 302

Directors: 5

Functions

Function
DRAINAGE
EMINENT DOMAIN
FLOOD CONTROL
HYDROELECTRIC
IRRIGATION
SPECIAL LAW
NAVIGATION
ROAD POWERS
SECURITY
STREET LIGHTING
SUPPLY TREATED OR RETAIL WATER
SUPPLY RAW (UNTREATED) OR WHOLESALE WATER
TAX BOND AUTHORITY
Occurrences retrieved

Entry Date
01/14/2014
01/14/2014
01/14/2014
01/14/2014
01/14/2014
01/14/2014
01/14/2014
01/14/2014
01/14/2014
01/14/2014
01/14/2014
01/14/2014

Counties

Code
170
Occurrences retrieved

County Name
MONTGOMERY

Primary
Y

Activity

Creation Date: 06/14/2013

Activity Date: 12/16/2013

Activity Status: INACTIVE

Activity Reason: CONFIRMATION REQUIRED

[Run District Information Report](#)
[Show Map](#)

District successfully retrieved

For all filter and queries to perform effectively best to view with IE