

Control Number: 45627



Item Number: 56

Addendum StartPage: 0

RECEIVED

APPLICATION OF CHARLES
BRANCH DBA DOUCETTE WATER
SYSTEM AND LAKESIDE WATER
SUPPLY AND THOMAS AND DANASA
RAWLS FOR SALE, TRANSFER, OR
MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN TYLER
COUNTY

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PUBLIC UTILITY COMMISSION
OF TEXAS

PM 3:55

NOTICE OF APPROVAL

This Notice addresses the application of Charles Branch d/b/a Doucette Water System and Lakeside Water Supply (Doucette) and Thomas and Danasa Rawls (Rawls) (collectively, applicants) for sale, transfer, or merger of facilities and corresponding certificate of convenience and necessity rights in Tyler County. Commission Staff recommended approval of the application, as supplemented. The application, as supplemented, is approved.

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

I. Findings of Fact

Procedural History, Description, and Background

1. On February 17, 2016, Doucette and Rawls filed an application for sale, transfer, or merger of facilities and certificate rights in Tyler County from Doucette to the Rawls.
2. Doucette holds certificate of convenience and necessity 12001.
3. On February 19, 2016, the Commission issued Order No. 1, requiring Commission Staff to file comments/recommendation regarding administrative completeness of the application.
4. On April 14, June 21, and October 31, 2016, and January 10, 2017, applicants filed supplements to the application.
5. On July 5, 2016, Commission Staff recommended that the application be found administratively complete and that applicants be required to provide notice and proof of notice.
6. On July 11, 2016, the Commission issued Order No. 4, finding the application administratively complete, requiring applicants to provide notice and proof thereof, and establishing a procedural schedule for continued processing.

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7. On July 19, 2017, applicants filed affidavits of proof of notice.
8. On September 9, 2016, applicants filed a supplemental affidavit of proof of notice to customers, neighboring utilities, and affected parties.
9. On September 22, 2016, Commission Staff recommended that notice be found sufficient and complete and proposed a procedural schedule for continued processing.
10. On September 26, 2016, the Commission issued Order No. 7, determining the notice to be sufficient and establishing a procedural schedule.
11. On October 17, 2016, Commission Staff requested an extension of time to file a recommendation or request a hearing.
12. On October 20, 2016, the Commission issued Order No. 8, granting Commission Staff's extension and amending the procedural schedule.
13. On October 31, 2016, Commission Staff requested that this proceeding be referred to the State Office of Administrative Hearings (SOAH) based upon a determination of the financial viability of the Rawls.
14. On November 21, 2016, the Commission referred this matter to SOAH for assignment of an administrative law judge to conduct a hearing and issue a proposal for decision, if necessary.
15. On December 20, 2016, SOAH issued Order No. 1, describing the case, setting a prehearing conference, and establishing other filing and service procedures.
16. On January 12, 2017, the Commission issued a preliminary order in this case.
17. On January 19, 2017, Commission Staff filed a motion to cancel the prehearing, stating that a review of the application would not require a hearing in order to resolve the case.
18. On January 24, 2017, SOAH issued Order No. 2, cancelling the prehearing conference and requiring a report regarding the status of this matter.
19. On March 31, 2017, Commission Staff filed a motion to remand the docket to the Commission for administrative processing, confirming that concerns regarding the financial capability of the Rawls to provide continuous and adequate service to be resolved and recommending approval of the transaction.

20. On April 4, 2017, SOAH issued Order No. 3, remanding the case to the Commission and dismissing the SOAH docket.
21. On April 5, 2017, the Commission issued Order No. 9, authorizing the sale/transfer transaction to proceed.
22. On June 1, 2017, applicants filed transaction closing documentation.
23. On June 15, 2017, Commission Staff recommended that the closing documentation be deemed sufficient.
24. On June 16, 2017, the Commission issued Order No. 10, finding the closing documents sufficient and establishing a procedural schedule for continued processing.
25. On July 14, 2017, Commission Staff requested additional time to provide final maps, certificates, and tariffs to applicants for review and consent and to file a joint proposed notice of approval.
26. On July 17, 2017, the Commission issued Order No. 11, granting Commission Staff's extension and modifying the procedural schedule.
27. On July 28, 2017, applicants separately filed consent forms agreeing to the certificate, final map, and tariff, as prepared by Commission Staff.
28. The certificate, final map, and tariff referenced in finding of fact 27 are attached to this Notice.

Notice

29. On March 4, 2016, the Commission caused notice of the application to be published in the *Texas Register*.
30. On July 12, 2016, applicants mailed notice of the application to current customers, neighboring systems, landowners, cities, and affected parties.

Informal Disposition

31. The only parties to this proceeding are applicants and Commission Staff.
32. More than 15 days have passed since completion of the notice provided in this docket.
33. On March 31, 2017, Commission Staff withdrew its request for hearing in this case.

Evidentiary Record

34. On August 8, 2017, the parties requested admission of evidence into the record of this docket.
35. On August 16, 2017, the Commission issued Order No. 13, admitting evidence into the record of this proceeding.

II. Conclusions of Law

1. Applicants are retail public utilities as defined in Texas Water Code § 13.002(19)¹ and 16 Texas Administrative Code § 24.3(59) (TAC).
2. The Commission has jurisdiction over this matter under TWC §§ 13.242, 13.246, and 13.301.
3. Applicants provided public notice of the application as required by TWC § 13.301(a)(2).
4. The application was processed in accordance with the requirements of the TWC §§ 13.242, 13.246, and 13.301, the Administrative Procedure Act,² and Commission rules.
5. Applicants completed the sale within 180 days from the date of Commission authorization to proceed with the sale, consistent with 16 TAC § 24.109(o).
6. After considering the factors in TWC § 13.246(c), the Rawls have demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area.
7. Applicants have demonstrated that the transfer requested in the application is necessary for the service, accommodation, convenience, and safety of the public.
8. In accordance with TWC § 13.257(r) and 16 TAC § 24.106(e), applicants are required to record a certified copy of the approved certificate and maps, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located, and submit to the Commission evidence of the recording.

¹ Tex. Water Code Ann. § 13.002(19) (West 2008 and Supp. 2016) (TWC).

² Tex. Gov't Code Ann. § 2001.001-.092 (West 2016).

9. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. The application, as supplemented, is approved.
2. The tariff attached to this Notice is approved.
3. The facilities and service area rights in Tyler County associated with certificate of convenience and necessity 12001 are transferred from Doucette to the Rawls.
4. The Rawls shall serve every customer and qualified service applicant within its service area and such service shall be continuous and adequate.
5. The Rawls shall comply with the recording requirements of TWC § 13.257(r) for the area in Tyler County affected by the transfer and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.
6. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the 22nd day of August 2017.

PUBLIC UTILITY COMMISSION OF TEXAS


IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT



Public Utility Commission of Texas

By These Presents Be It Known To All That

Thomas Kain Rawls and Danasa Rawls

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Thomas Kain Rawls and Danasa Rawls are entitled to and is hereby granted this

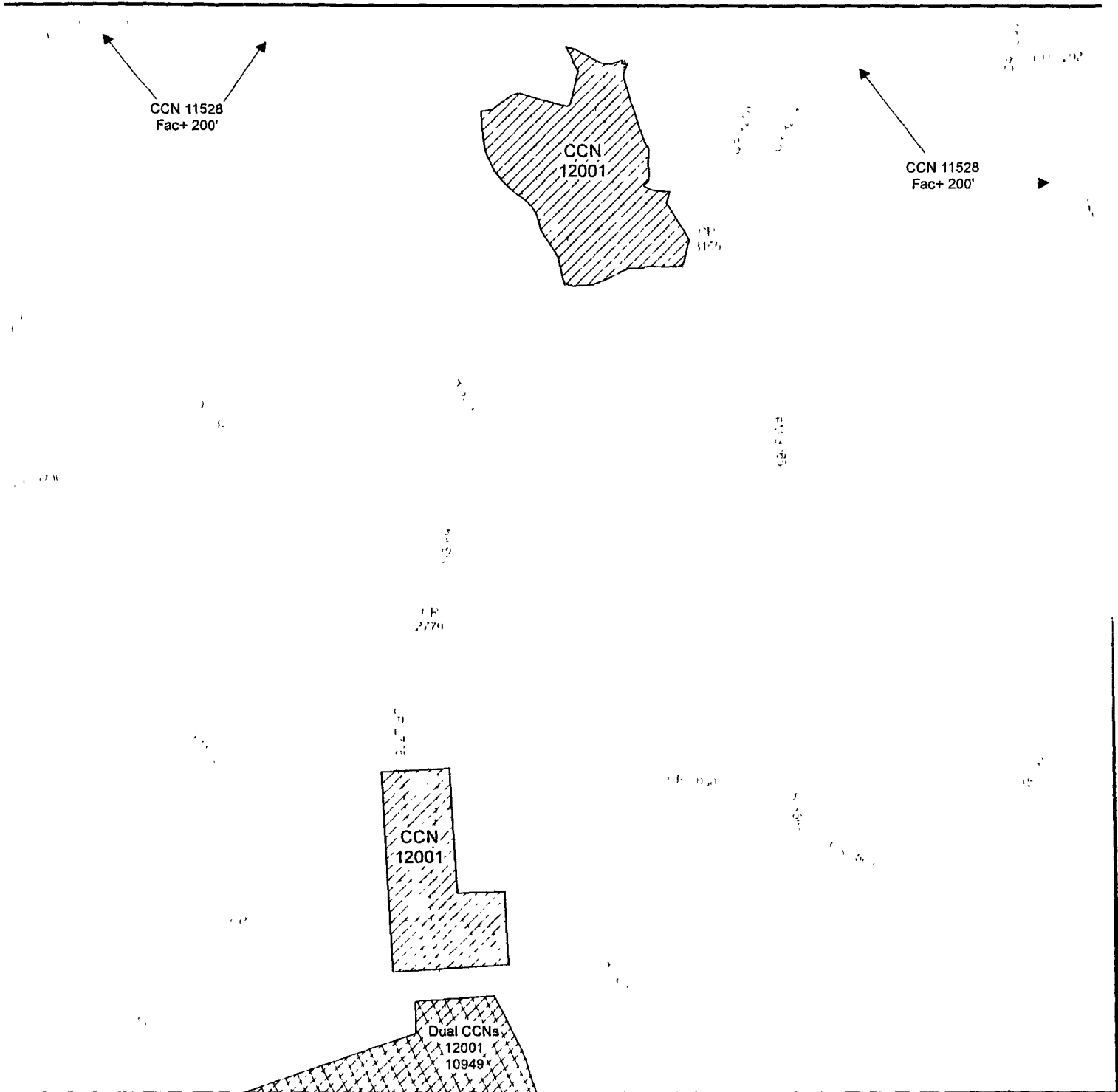
Certificate of Convenience and Necessity No. 12001

to provide continuous and adequate water utility service to that service area or those service areas in Tyler County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 45627 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Thomas Kain Rawls and Danasa Rawls to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or obtain this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 22nd day of August 2017.



Doucette Water System
Water CCN No. 12001
PUC Docket No. 45627

Transferred all of Doucette Water Systems, Lakeside Water Supply in Tyler County



Utility Commission of Texas
N. Congress Ave
1, TX 78701

Water CCN

-  12001 - Doucette Water System
-  10949 - City of Woodville

Water Facility CCN

11528 - Tyler County WSC
- Facilities+ 200'

Map by: Komal Patel
Date created: June 26, 2017

Project Path: g:\files\project\45627



WATER UTILITY TARIFF Docket No. 45627

Thomas Kain Rawls and Danasa Rawls dba
Doucette Water System
(Utility Name)

1430 CR 2800
(Business Address)

Colmesneil, Texas 75938
(City, State, Zip Code)

(409) 289-9915
(Area Code/Telephone)

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

12001

This tariff is effective in the following county:

Tyler County

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

None

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

Doucette Water System
PWS ID#2290004

Lakeside Water Supply No. 1
PWS ID#2290021

Lakeside Water Supply No. 2
PWS ID#2290039

Lakeside Water Supply No. 3
PWS ID#2290040

Lakeside Water Supply No. 4
PWS ID#2290041

Lakeside Water Supply No. 5
PWS ID#2290042

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE	2
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SECTION 3.0 -- EXTENSION POLICY	7
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APPENDIX A -- DROUGHT CONTINGENCY PLAN
APPENDIX B -- APPLICATION FOR SERVICE

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 2,000 gallons)	<u>Gallonge Charge</u>
5/8" x 3/4"	<u>\$35.00</u>	<u>\$2.50</u> per 1,000 gallons over the minimum same for all meter sizes
1"	<u>\$80.00</u>	
1½"	<u>\$155.00</u>	
2"	<u>\$245.00</u>	
3"	<u>\$485.00</u>	

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

Cash X, Check X, Money Order X, Credit Card , Other (specify)
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS
MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH
PAYMENTS.

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$450.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED
ON THIS TARIFF.

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

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

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) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$45.00

TRANSFER FEE.....\$45.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE
LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

SECTION 1.0 -- RATE SCHEDULE (Continued)

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL).....\$5.00
PUC 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.....\$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

METER CONVERSION FEE.....Actual Cost to Convert the existing Meter
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMERS SERVICE DEMAND.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(b)(2)(F)]

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.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons)	<u>Gallonge Charge</u>
5/8" x 3/4"	<u>\$30.00</u>	<u>\$2.90</u> per 1,000 gallons over the minimum same for all meter sizes
1"	<u>\$75.00</u>	
1½"	<u>\$150.00</u>	
2"	<u>\$240.00</u>	
3"	<u>\$450.00</u>	

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SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 – Rules

The Utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules Chapter 24, 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 applications 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 5 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.

Where service has previously been provided, service will be reconnected within one working day 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 PUC 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 that a complaint may be filed with the Commission.

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 PUC 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 that 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.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

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 residential 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 PUC 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 that 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 2.06 - Billing

Bills from the Utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the Utility will constitute proof of the date of issuance. At the customer's option, bills may be sent in a paperless, electronic form by email. The date of the email will constitute 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 workday after the due date.

A late penalty of either \$5.00 or 10% will be charged on bills received after the due date. 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 PUC 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.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

In the event of a dispute between a customer and the 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 26 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 PUC Rules.

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Section 2.08 - Reconnection of Service

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 24 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 2.0 - SERVICE RULES AND REGULATIONS (Continued)

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 and Regulations for Public Water Systems.

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 PUC 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 PUC rules to be effective.

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 before 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 UTILITIES SHALL BEAR. Within its certificate 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 PUC's Rules.

SECTION 3.02 - 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 PUC 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.

APPENDIX A – DROUGHT CONTINGENCY PLAN

“This page incorporates by reference the utility’s Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.”

APPENDIX B -- APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)