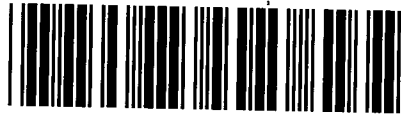


Control Number: 45684



Item Number: 30

Addendum StartPage: 0

APPLICATION OF POST OAK HILL  
WATER SUPPLY CORPORATION  
AND HDU SERVICES, LLC FOR  
SALE, TRANSFER, OR MERGER OF  
FACILITIES AND CERTIFICATE  
RIGHTS IN BURLESON COUNTY

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§

PUBLIC UTILITY COMMISSION  
OF TEXAS  
FILING CLERK

### NOTICE OF APPROVAL

This Notice addresses the application of Post Oak Hill Water Supply Corporation (Post Oak) and HDU Services, LLC (HDU Services) for the sale and transfer of facilities and certificate rights in Burleson County. Commission Staff recommends approval of the application. The application is approved.

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

#### I. Findings of Fact

##### Procedural History

1. On March 2, 2016, Post Oak and HDU Services filed an application for the sale, transfer, and merger of facilities and certificate rights in Burleson County. Supplements to the application were filed on May 17, 2016 and August 23, 2016.
2. HDU Services holds CCN No. 11699 and 12254 and is retail public utility.
3. Post Oak holds water CCN No. 12686.
4. On March 8, 2016, Order No. 1 was issued, requiring Commission Staff to file comments on the administrative completeness of the application.
5. Notice of the application was published in the *Texas Register* on March 18, 2016.
6. On April 4, 2016, Order No. 2 was issued, finding application incomplete and deficient establishing deadline and opportunity to cure.
7. On June 6, 2016, Order No. 3 was issued, deeming application sufficient; addressing notice and establishing procedural schedule.

8. On July 8, 2016, HDU Services filed an affidavit attesting to the provision of notice, Notice of the application was sent to Post Oak's customers and other affected parties on June 30, 2016.
9. The comment period on the application ended July 30, 2016 and no protests or requests to opt out were received.
10. On July 18, 2016, Order No. 4 was issued, deeming notice sufficient and complete; establishing deadlines for remainder of proceeding.
11. On September 6, 2016, Order No. 5 was issued, granting extension.
12. On September 16, 2016, Commission Staff filed a recommendation that the proposed transaction be permitted to proceed.
13. On September 29, 2016, Order No. 6 was issued, permitting the proposed transaction to proceed.
14. On November 29, 2016, Order No. 7 was issued, finding closing documents sufficient and establishing a procedural schedule.
15. On October 27, 2016 and November 10, 2016, HDU Services filed documents evidencing the closing of the transaction and the disposition of customer deposits.
16. On December 19, 2016, HDU Services and Post Oak filed consent forms indicating their agreement with the map, certificate, and tariff transmitted to them by Commission Staff.
17. On February 28, 2017, Commission Staff filed a final recommendation regarding the closing documents and motion to admit evidence, attaching a proposed map, tariff, and certificate.
18. On March 6, 2017, Order No. 8 was issued, admitting evidence into the record of this proceeding.

#### **The Transaction**

19. HDU Services seeks approval to acquire all of the water system assets of Post Oak held under CCN No. 12686.

20. The total service area being requested includes approximately 153 acres and 70 existing customers. Post Oak customers will be charged the same rates they were charged prior to the transaction.<sup>1</sup>
21. On September 16, 2016, Commission Staff recommended approval of the proposed sale and transfer. Commission Staff determined that the transaction will serve the public interest and that HDU Services has adequate financial, managerial, and technical capability to provide continuous and adequate service to its existing service area and the area under CCN No. 12686.

### **Informal Disposition**

22. More than 15 days have passed since completion of all notice required for this docket.
23. Post Oak, HDU Services, and Commission Staff are the only parties to this proceeding.
24. No person has requested a public hearing on the application.

### **II. Conclusions of Law**

1. The Commission has jurisdiction over this proceeding under Texas Water Code §§ 13.246, 13.254, 13.301 and 16 TAC §§ 24.109 and 24.112.
2. Post Oak and HDU Services are water utilities as defined in TWC § 13.002 and 16 TAC § 24.3(59).
3. Public notice of the application was provided as required by TWC §13.301(a)(2).
4. The application was processed in accordance with the requirements of TWC § 13.301 and 16 TAC §§ 24.109 and 24.112(e).
5. Applicants completed the sale within 180 days from the date of Commission's approval of the sale.
6. After consideration of the factors in TWC § 13.246(c), HDU Services has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area.

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<sup>1</sup> Application at 7.

7. HDU Services has demonstrated that the sale or lease and transfer of service area and the transfer of certificate rights requested in this application are necessary for the service, accommodation, convenience, and safety of the public.
8. The Commission's Order satisfies the requirement of Tex. Gov't Code Ann §§ 2001.051 and 2001.056 without the necessity of a decision on contested case issues resulting from a hearing on the merits.
9. Post Oak and HDU Services have demonstrated that the sale and transfer of service area and facilities requested in this application are in the public interest, as required by TWC § 13.301(d).
10. Under TWC § 13.257(r) and 16 TAC § 24.106(f), HDU Services is required to record a certified copy of the approved CCN and map, along with a boundary description of the service area, in the real property records of each county in which the service area or portion of a service area is located, and submit to the Commission evidence of the recording.
11. 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 is approved.
2. The certificate rights held by Post Oak in Burleson County under CCN No. 12686 are transferred to HDU Services' CCN No. 11699.
3. The certificate, map, and tariff for HDU Services provided with this Notice are approved.
4. HDU Services shall serve every customer and applicant for service within the area covered by CCN No. 11699 and such service shall be continuous and adequate.
5. HDU Services shall comply with the recording requirements of TWC § 13.257(r) for the area in Burleson County affected by the application 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 16th day of March 2017.

PUBLIC UTILITY COMMISSION OF TEXAS

  
IRENE MONTELONGO  
DIRECTOR, DOCKET MANAGEMENT

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# Public Utility Commission Of Texas

By These Presents Be It Known To All That

**HDU Services, LLC**

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, HDU Services, LLC, is entitled to this

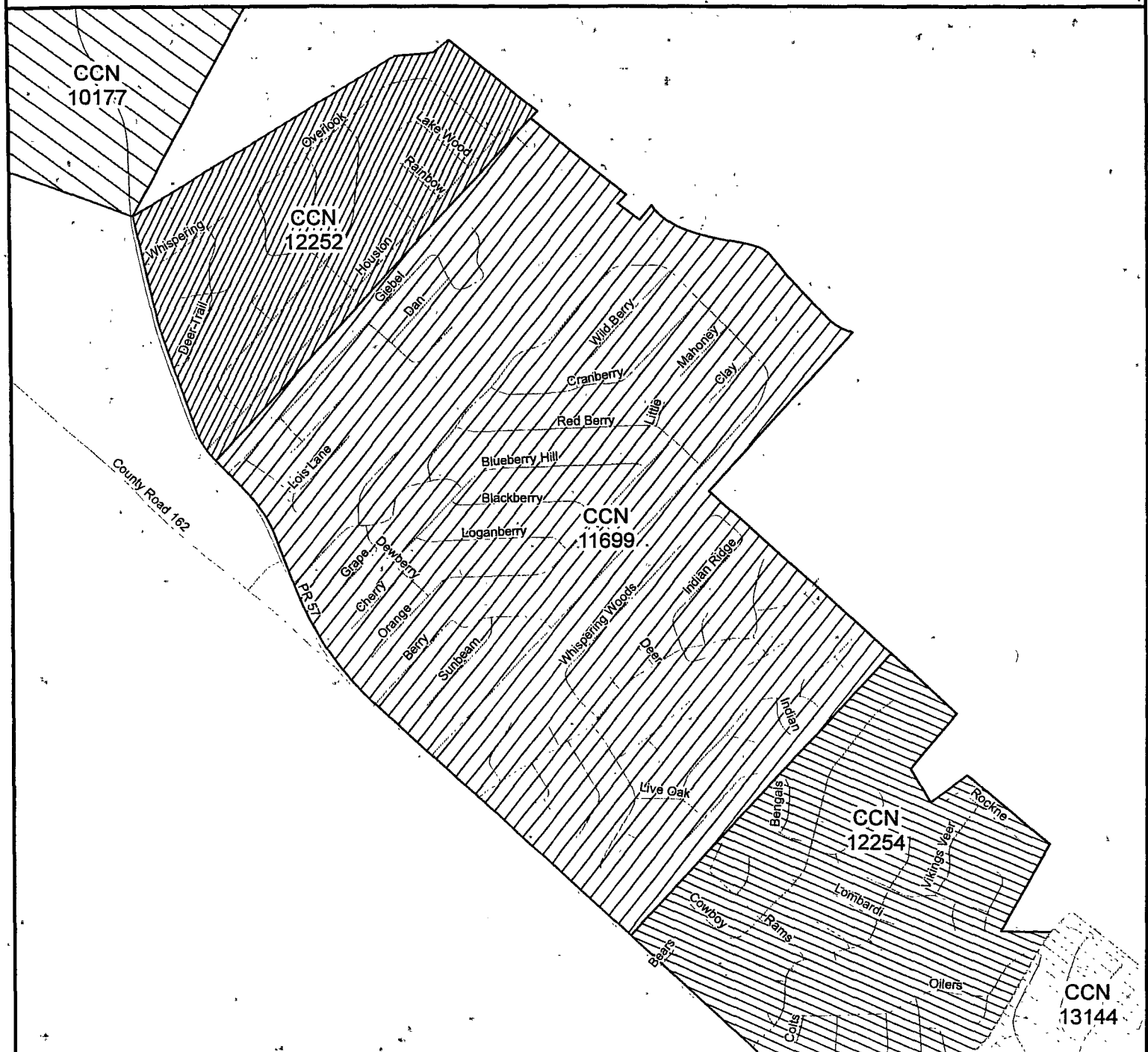
## **Certificate of Convenience and Necessity No. 11699**

to provide continuous and adequate water utility service to that service area or those service areas in Burleson County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 45684 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 HDU Services, LLC, 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 amend 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 16th day of March 2017.






HDU Services, LLC  
Water Service Area  
CCN Nos. 11699 & 12254  
PUC Docket No. 45684

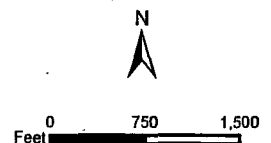
Transferred all of Post Oak Hill WSC, CCN No. 12686 in Burleson County



Public Utility Commission of Texas  
1701 N. Congress Ave  
Austin, TX 78701

**Water CCN Service Areas**

-  11699 - HDU Services LLC
-  12254 - HDU Services LLC
-  10177 - Deanville WSC
-  12252 - Nerro Supply LLC
-  13144 - Burleson County MUD 1



Map by: Kristy Nguyen  
Date created: November 14, 2016  
Project Path: n:\Final Maps\45684.mxd

000007





**WATER UTILITY TARIFF**  
**Docket Number: 45684**

HDU Services, LLC  
(Utility Name)

13193 C.R. 424  
(Business Address)

Somerville, Texas 77879  
(City, State, Zip Code)

(979) 739-1706  
(Area Code/Telephone)

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

11699

This tariff is effective in the following county:

Burleson

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:

Post Oak Hill WSC: PWS # 0260009 and Yegua Water System: PWS # 0260039

**TABLE OF CONTENTS**

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

SECTION 1.0 -- RATE SCHEDULE .....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES .....	4
SECTION 3.0 -- EXTENSION POLICY .....	9
APPENDIX A — DROUGHT CONTINGENCY PLAN	
APPENDIX B — SAMPLE SERVICE AGREEMENT	
APPENDIX C — APPLICATION FOR SERVICE	

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$31.04</u> (Includes 5000 gallons)	<u>\$3.00</u> per 1000 gallons thereafter

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 REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$700.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD  
RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF  
LISTED ON THIS TARIFF.

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

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

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

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

TRANSFER FEE ..... \$25.00

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

LATE CHARGE (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..... \$35.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST,

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$0.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY THE PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 24.21(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,

HDU Services, LLC  
(Formerly Post Oak Hills WSC)  
(Utility Name)

Water Utility Tariff Page No. 3

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$50.00</u> (Includes 5000 gallons)	\$1.00 per 1000 gallons thereafter

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 REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE .....\$100.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD  
RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF  
LISTED ON THIS TARIFF.

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

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

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

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

Docket Number: 45684

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

TRANSFER FEE ..... \$15.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... 10%  
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 ..... \$7.50  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... \$0.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY THE PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 24.21(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.

EQUIPMENT DAMAGE FEE

IF THE UTILITY'S FACILITIES OR EQUIPMENT HAVE BEEN DAMAGED BY TAMPERING, BY-PASSING, INSTALLING UNAUTHORIZED TAPS TO RECONNECTING SERVICE WITHOUT AUTHORITY OR OTHER SERVICE DIVERSION, A FEE SHALL BE CHARGED EQUAL TO COSTS FOR ALL LABOR, MATERIAL AND EQUIPMENT NECESSARY OR REPAIR, REPLACEMENT SHALL BE CHARGED AND PAID BEFORE SERVICE IS RE-ESTABLISHED.

## SECTION 2.0.- SERVICE RULES AND REGULATIONS

### Section 2.01 – Public Utility Commission of Texas (PUC or Commission) Rules

The utility will have the most current PUC 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 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 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.

**Docket Number: 45684**

**SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)**

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 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 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 2.06 - Billing**

Bills from the utility will be mailed monthly unless otherwise authorized by the PUC. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees 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 either \$5.00 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.

**Docket Number: 45684**

**SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)**

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 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.

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.

**Section 2.08 - Reconnection of Service**

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 2.10 - 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 PUC Rules or in the Texas Commission on Environmental Quality (TCEQ) "Rules and Regulations for Public Water Systems."



**SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)**

**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 Commission's 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 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 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 TCEQ's "Rules and Regulations for Public Water Systems."

This section contains the utility's specific extension policy which 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 will 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's 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**  
(Utility must attach copy of TCEQ approved Drought Contingency Plan)

**APPENDIX B -- SAMPLE SERVICE AGREEMENT**  
**From 30 TAC Chapter 290.47(6), Appendix B**  
**SERVICE AGREEMENT**

- I. **PURPOSE.** The NAME OF WATER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF WATER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS:** The following unacceptable practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
  - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
  - C. No connection which allows water to be returned to the public drinking water supply is permitted.
  - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
  - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT:** The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).
- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
  - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.
  - C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic re-inspection.

D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.

E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. ENFORCEMENT: If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

APPENDIX C — APPLICATION FOR SERVICE  
(Utility Must Attach Blank Copy)