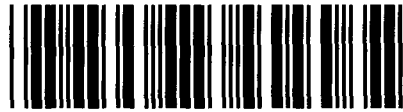




Control Number: 48052



Item Number: 5

Addendum StartPage: 0



RECEIVED
2018 MAR -2 AM 9:44
PUBLIC UTILITY COMMISSION
FILING CLERK

February 22, 2018

Public Utility Commission
Central Records
PO Box 13326
Austin, TX 78711-3326

Re: Pass Through Change Application (Docket 48052)

Dear Sir/Madam,

Please accept this letter as a supplement to original pass through application letter provided to PUCT earlier this month. Quadvest's requested pass through change will affect CCN# 11612 and more specifically the subdivision/PWS# list below.

| | | | |
|---------------------------------|---------------------|---------------|----------------------------|
| QUADVEST LP - CCN# 11612 | | | |
| SUBDIVISION | PWSID NUMBER | COUNTY | SUBSIDENCE DISTRICT |
| Lake Pointe Estates | 0790350 | Fort Bend | NFBWA |

Also, enclosed is a copy of the tariff that will be changed if Quadvest's pass through change application is approved.

Thanks for your time and consideration on this matter. If you have any questions and/or comments, please do not hesitate to contact Jeff Eastman (713-356-5347).

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Eastman', is written over a horizontal line.

Jeff Eastman
Quadvest LP

Enclosed: Quadvest Tariff

5



WATER UTILITY INTERIM TARIFF

Docket Number: 48041

Quadvest, L.P.
(Utility Name)

26926 FM 2978
(Business Address)

Magnolia, Texas 77354
(City, State, Zip Code)

281/356-5347
(Area Code/Telephone)

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

11612

This tariff is effective in the following counties:

Aransas, Brazoria, Fort Bend, Harris, Jackson, Liberty, Matagorda, Montgomery, Walker and Waller

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

Richmond (portion of Bridlewood Estates only - same rates)

This tariff is effective in the following subdivisions or systems:

See attached chart.

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 SCHEDULES | 4 |
| SECTION 2.0 -- SERVICE RULES AND POLICIES | 10 |
| SECTION 3.0 -- EXTENSION POLICY | 17 |

APPENDIX A - DROUGHT CONTINGENCY PLAN
APPENDIX B - SAMPLE SERVICE AGREEMENT
APPENDIX C - APPLICATION FOR SERVICE

| <i>QUADVEST LP - CCN# 11612</i> | | | |
|----------------------------------------|----------------------|---------------|----------------------------|
| SUBDIVISION | PWS ID NUMBER | COUNTY | SUBSIDENCE DISTRICT |
| Bauer Landing | 1013526 | Harris | NHCRWA |
| Bayer Utility (Old Town Spring) | 1010212 | Harris | NHCRWA |
| Bella Vista | 1460175 | Liberty | No Subsidence |
| Benders Landing | 1700678 | Montgomery | SJRA |
| Benders Landing Estates | 1700678 | Montgomery | SJRA |
| Brazos Lakes | 0790363 | Fort Bend | NFBWA |
| Bridlewood Estates | 0790350 | Fort Bend | City of Rosenberg |
| Caddo Village | 1700473 | Montgomery | SJRA |
| Campwood | 1700624 | Montgomery | SJRA |
| Canterbury Ranch | 1700624 | Montgomery | SJRA |
| Camino Real | 1460175 | Liberty | No Subsidence |
| Cape Shores | 1200044 | Jackson | No Subsidence |
| Chenango Ranch | 0200656 | Brazoria | Brazoria GWD |
| Clear Creek Forest | 1700576 | Montgomery | SJRA |
| Creekside Village | 1700742 | Montgomery | SJRA |
| Decker Oaks Estates | 1700605 | Montgomery | SJRA |
| Estates of Clear Creek | 1700576 | Montgomery | SJRA |
| Freeman Ranch | 2370123 | Waller | Bluebonnet GWD |
| Grande San Jacinto | 1460179 | Liberty | No Subsidence |
| Indigo Lake Estates | 1700576 | Montgomery | SJRA |
| Jacobs Reserve | 1700609 | Montgomery | SJRA |
| Lake Pointe Estates* | 0790350 | Fort Bend | NFBWA |
| Lake Windcrest | 1700624 | Montgomery | SJRA |
| Lakes of Fairhaven* | 1013288 | Harris | NHCRWA |
| Lakes of Magnolia | 1700736 | Montgomery | SJRA |
| Live Oak Landing | 1610129 | Matagorda | No Subsidence |
| Lone Star Ranch | 1700655 | Montgomery | SJRA |
| Magnolia Reserve | 1700864 | Montgomery | No Subsidence |
| McCall Sound | 1700763 | Montgomery | SJRA |
| Montgomery Trace | 1700577 | Montgomery | SJRA |
| Mostyn Manor | 1700669 | Montgomery | SJRA |
| Mostyn Springs | 1700669 | Montgomery | SJRA |
| Northcrest Ranch | 1700623 | Montgomery | SJRA |
| Oaks of Sun creek | 0200640 | Brazoria | Brazoria GWD |
| Rancho San Vicente | 1460178 | Liberty | No Subsidence |
| Red Oak Ranch | 1700609 | Montgomery | SJRA |
| Rocky Creek | 1013393 | Harris | WHCRWA |

| | | | |
|--------------------------------------------------------|----------------------|---------------|----------------------------|
| <i>QUADVEST LP - CCN# 11612 (Continued)</i> | | | |
| SUBDIVISION | PWS ID NUMBER | COUNTY | SUBSIDENCE DISTRICT |
| Sawmill Estates | 1700576 | Montgomery | SJRA |
| Sendera Ranch | 1700577 | Montgomery | SJRA |
| Shaw Acres | 1013468 | Harris | NHCRWA |
| Sierra Woods | 1700624 | Montgomery | SJRA |
| Sonoma Ridge | 1700763 | Montgomery | SJRA |
| Stonecrest Ranch | 1700611 | Montgomery | SJRA |
| Summerset Estates | 1700655 | Montgomery | SJRA |
| Suncreek Estates | 0200640 | Brazoria | Brazoria GWD |
| Suncreek Ranch | 0200616 | Brazoria | Brazoria GWD |
| Sunrise Bay | 1200037 | Jackson | No Subsidence |
| Sunset Bay | 0040055 | Aransas | No Subsidence |
| Telge Terrace | 1011805 | Harris | Harris Galv. Sub. |
| Texas Grand Ranch | 2360088 | Walker | Bluebonnet GWD |
| The Colony / Intercontinental | 1011806 | Harris | Harris Galv. Sub. |
| Timberdale | 1011810 | Harris | Harris Galv. Sub. |
| Vaquero River Estates | 1610129 | Matagorda | No Subsidence |
| Village of Decker Oaks | 1700605 | Montgomery | SJRA |
| Villa Nueva | 1460175 | Liberty | No Subsidence |
| Waterstone Estates | 1013389 | Harris | NHCRWA |
| Waypoint Landing | 1610137 | Matagorda | No Subsidence |
| Westwood | 2370042 | Waller | Bluebonnet GWD |
| Windcrest Farms | 1700577 | Montgomery | SJRA |
| Yesterdays Crossing | 1700758 | Montgomery | No Subsidence |

*Lake Point Estates and Lakes of Fairhaven subdivisions have separate tariff pages.

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 PUC and will have to be obtained from the city or utility.

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>\$28.75</u> (Includes 0 gallons) | <u>\$1.75</u> per 1000 gallons for the first 10,000 gallons |
| 1" | <u>\$71.88</u> | <u>\$2.00</u> per 1,000 gallons from 10,001 to 20,000 gallons |
| 1½" | <u>\$143.75</u> | <u>\$2.25</u> per 1,000 gallons from 20,001 to 30,000 gallons |
| 2" | <u>\$230.00</u> | <u>\$2.93</u> per 1,000 gallons thereafter |
| 3" | <u>\$431.25</u> | |
| 4" | <u>\$718.75</u> | |
| 6" | <u>\$1,437.50</u> | |
| 8" | <u>\$2,300.00</u> | |
| 10" | <u>\$3,306.25</u> | |
| 12" | <u>\$6,181.25</u> | |

*The Monthly Minimum Charge for any meter sizes larger than 12" will be calculated using American Water Works Association approved meter equivalency factors.

An additional pass through gallonage charge per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the utility. Bluebonnet GRP (BGCD), Brazoria GRP (BCGCD), City of Rosenberg GRP (CR), North Fort Bend GRP (NFBWA), West Harris County Regional Water Authority (WHCRWA), Harris-Galveston Subsidence District (HGSD), North Harris County Regional Water Authority (NHCRWA) San Jacinto River Authority GRP (SJRA) and Shaw Acres. Each pass through gallonage charge is represented in the table below. **SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.**

| | BGCD | BCGCD | CR | HCSD | WHCRWA | NFBWA | NHCRWA | SJRA | Shaw Acres |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|------------|
| Rate per thousand gallons | \$0.07 | \$0.04 | \$2.27 | \$0.02 | \$3.01 | \$3.86 | \$4.30 | \$2.88 | \$3.45 |

Tariff Control No. 48041

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft
 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 ASSESSMENT1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE\$810.00
 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 IF LISTED ON THIS TARIFF.

TAP FEE\$910.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" AND 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

SECTION 1.0 -- RATE SCHEDULE (CONTINUED)

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

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..

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00)..... \$25.00
 - b) Customer's request that service be disconnected..... \$50.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

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.

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

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

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

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 Cost to Relocate the existing Meter
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.

ILLEGAL RECONNECTION, LOCK REMOVAL OR DAMMAGE FEE..... \$100.00
THIS FEE MAY BE CHARGED TO A DISCONNECTED CUSTOMER FOR DAMAGE CAUSED BY CUSTOMER'S ATTEMPT TO RESTORE WATER SERVICE BY CUTTING OR BREAKING LOCK, REMOVAL OR BYPASS OF METER.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

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. [PUC Subst. R. 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.

SECTION 1.0 -- RATE SCHEDULE (CONTINUED)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or government body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0 - r)}$$

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC 24.21(l).

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$WPC = (E + (AP - AC)) / (JC \times AU), \text{ Where:}$$

WPC = Water pass-through gallonage charge per 1,000 gallons, rounded to the nearest cent.

E = Estimated sum of upcoming 12 months of purchase water, groundwater conservation district costs, and fees.

AP = Actual payments by utility for prior 12 months for purchased water, district costs and fees.

AC = Actual collections by utility in prior 12 months from water pass-through gallonage charge.

JC = Year end customer connections.

AU = Average annual usage per connection, in 1,000 gallons from most recent year.

The WPC must be trueed up and adjusted every twelve months.

To implement, all notice requirements must be met. The utility may begin to charge the new filed WPC on the proposed effective date in the notice. Implementation of this WPC adjustment provision shall be governed by P.U.C. Subst. R. 24.21(h).

With each annual WPC adjustment, the utility must file a true-up report that shows the calculation for the next 12-month WPC reflected in the notice. The report shall contain up to five years' worth of data, as available, showing the annual and accumulated difference between WPC amounts collected from customers and amounts actually paid to the entities whose charges are included in the WPC.

Quadvest, L.P.
(formerly Westside Water, LLC)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

| <u>Meter Size</u> | <u>Monthly Minimum Charge</u> | <u>Gallage Charge</u> |
|-------------------|--------------------------------------|--------------------------------------------------|
| 5/8" | \$ <u>17.85</u> (Includes 0 gallons) | \$ <u>1.50</u> per 1000 gallons, Residential |
| 3/4" | \$ <u>26.80</u> | \$ <u>2.00</u> per 1000 gallons, Non-Residential |
| 1" | \$ <u>44.65</u> | |
| 1½" | \$ <u>89.25</u> | |
| 2" | \$ <u>142.80</u> | |
| 3" | \$ <u>267.75</u> | |
| 4" | \$ <u>535.50</u> | |

PLUS:

Pass Through Fees:

North Harris County Regional Water Authority (NHCRWA) for

Lakes of Fairhaven\$3.56 per 1,000 gallons
(Tariff Control No. 48051)

North Fort Bend Water Authority (NFBWA) for

Lake Point Estates\$3.35 per 1,000 gallons
(Tariff Control No. 48052)

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 ASSESSMENT1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY
 BILL AND TO REMIT THE FEES TO THE TCEQ.Section 1.02 - Miscellaneous FeesTAP FEE\$500.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
 RESIDENTIAL 5/8" or 3/4" METER AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF
 LISTED ON THIS TARIFF.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.

Quadvest, L.P.
(formerly Westside Water, LLC)

SECTION 1.0 – RATE SCHEDULE (Continued)

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
 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.

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..... \$40.00

TRANSFER FEE \$40.00
 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%
 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 \$35.00
 RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE
 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. [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.

Quadvest, L.P.
(formerly Westside Water, LLC)

SECTION 1.0 – RATE SCHEDULE (Continued)

PASS THROUGH PROVISION:

For utilities subject to changes in cost imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

$AG = G/(1-L)$, Where:

AG = adjusted gallonage charge, rounded to the nearest one cent

G = supplier or district approved gallonage charge per 1,000 gallons

L = water or sewer line loss from preceding 12 months, not to exceed 0.15 (15%)

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) 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 2.01 - Application for 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), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - 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 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) 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 - Miscellaneous Fees 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.

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.

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1.02 of this tariff. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.02 of this tariff. 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 given a written explanation of such costs prior to request for 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 be informed of their right to appeal such costs to the PUC 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 2.0 -- SERVICE RULES AND POLICIES (CONTINUED)

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 PUC rule) for the actual costs of, any additional facilities required to maintain compliance with the Texas Commission on Environmental Quality minimum design criteria for water production, treatment, pumping storage and transmission.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1.02 of this tariff to cover unique costs not normally incurred as permitted by 16 TAC 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

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.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will 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 may be required to install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

SECTION 2.0 -- SERVICE RULES AND POLICIES (CONTINUED)Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Section 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in Section 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker. All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

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 PUC and/or 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 PUC and/or TCEQ rule. No water service smaller than 5/8" will be

SECTION 2.0 -- SERVICE RULES AND POLICIES (CONTINUED)

connected. No pipe or pipe fitting 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. No solder or flux which contains more than 0.25% lead can be used at any connection which provides water for human use.

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times 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 and the utility personnel will attempt to notify the customer that they will be working on the customer's property. 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.

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.

Threats to or assaults upon utility personnel shall result in criminal prosecution.Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. 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.

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 2.10 - Billing(A) Regular 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 sixteen (16) days from the date of issuance. The postmark

SECTION 2.0 -- SERVICE RULES AND POLICIES (CONTINUED)

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 workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10.0% 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.

(C) Information on Bill

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 local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

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.

(D) 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 2.11 - Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office 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 payer 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.

Section 2.12 - Service Disconnection(A) With Notice

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. If the customer elects to receive electronic communications, the disconnect notice may be emailed in lieu of mailing or hand delivery.

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.

(B) Without Notice

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (CONTINUED)

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

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

Section 2.14 - 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.

Section 2.15 - 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 2.16 - 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.

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 2.17 - Customer And Utility Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer, his invitees, his agents, his employees, or other 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 Texas Commission on Environmental Quality. 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