



Control Number: 48096



Item Number: 7

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**TARIFF CONTROL NO. 48096**

**AQUA UTILITIES, INC., AQUA  
DEVELOPMENT, INC., KERRVILLE  
SOUTH WATER COMPANY, INC.,  
AND HARPER WATER COMPANY,  
INC. D/B/A AQUA TEXAS'  
SOUTHWEST REGION REGIONAL  
TRUE-UP REPORT AND REQUEST  
FOR A PASS THROUGH RATE  
CHANGE**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation.

**I. BACKGROUND**

On February 23, 2018, Aqua Utilities, Inc., Aqua Development, Inc., Kerrville South Water Company, Inc., and Harper Water Company, Inc., d/b/a Aqua Texas (Aqua Texas) filed a true-up report in compliance with Aqua Texas' Southwest Region tariff with the Public Utility Commission (Commission). Aqua Texas seeks to implement an adjustment of its pass-through gallonage charge pursuant to 16 Texas Administrative Code (TAC) §24.21. Aqua Texas proposes a rate increase of \$0.3311 per 1,000 gallons. The requested effective date for the pass-through rate change is March 1, 2018.

On March 23, 2018, Aqua Texas filed a supplement to the application and Staff filed a request for extension. Notice Granting Request for Extension, issued March 27, 2018 required Staff to file a recommendation by April 6, 2018. This pleading is timely filed.

**II. STAFF'S RECOMMENDATION**

Consistent with the attached memorandum of Kathryn Eiland, Water Utility Regulation Division, Staff recommends that the application and notice is sufficient for filing. In addition, Staff recommends that Aqua Texas' proposed true-up and revision to its pass-through charges along with the attached tariff be approved.

Specifically, Aqua Texas' application reflects that Aqua Texas supplied a notice to customers of the pass-through rate change, used the correct Commission-approved tariff provision

for the pass-through calculations when developing the pass-through rate change, and provided a true-up reflecting the amounts billed in the previous year compared with amounts paid to water districts having jurisdiction over the applicant. Staff also recommends that Aqua Texas be provided a copy of the updated tariff, which is attached to Ms. Eiland's memorandum.

### **III. COMMENTS ON PROCEDURAL SCHEDULE**

In accordance with the recommendation for approval of Aqua Texas' pass-through rate increase, Staff does not propose a procedural schedule

### **IV. CONCLUSION**

Staff respectfully requests the entry of an order consistent with the above discussion.


Date: April 6, 2018

Respectfully Submitted,

#### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

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Managing Attorney



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**TARIFF CONTROL NO. 48096**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on April 6, 2018, in accordance with 16 TAC § 22.74.

  
\_\_\_\_\_  
Landon J. Lill

## PUC Interoffice Memorandum

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**To:** Landon Lill, Attorney  
Legal Division

**Through:** Debi Loockerman, Financial Manager  
Water Utility Regulation

**From:** Kathryn Eiland, Financial Analyst  
Water Utility Regulation

**Date:** March 27, 2018

**Subject:** **Tariff Control No. 48096;** *Application of Aqua Utilities, Inc., Aqua Development, Inc., Kerrville South Water Company, Inc., and Harper Water Company, Inc. dba Aqua Texas' Southwest Region Regional True-Up Report and Request for a Pass-Through Rate Change*

On February 23, 2018, Aqua Texas, Inc. (Aqua or Applicant) filed its Southwest Regional pass-through gallonage charge annual true-up report for its combined water pass-through gallonage charge for fees imposed on the Southwest Region. Aqua proposes to increase the water pass-through rate from \$1.2102 to \$1.5413 per 1000 gallons effective March 1, 2018.

The Applicant provided a true-up reconciling the total regional pass through gallonage charge revenues billed during the previous completed calendar year within the Southwest region to the total amount of all regional pass-through costs incurred during that year.

On March 23, 2018, the Applicant provided supplemental information showing the affected CCN numbers, affected subdivisions and public water system names, a copy of the notice to customers and documentation supporting the pass-through cost from the pass-through entities.

Based upon review of the information submitted, Staff recommends:

- a) Approve the pass-through gallonage rate increase as requested in the application; and
- b) Approve the attached tariff and provide a copy to the Applicant.



**WATER UTILITY TARIFF**  
**Tariff Control Number: 48096**

Aqua Utilities, Inc., Aqua Development, Inc.,  
Kerrville South Water Company, Inc., and  
Harper Water Company, Inc. dba Aqua Texas  
(Southwest Region)  
(Utility Name)

1106 Clayton Lane, Suite 400W  
(Business Address)

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

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

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

11157, 12902, 11421 and 11484

This tariff is effective in the following counties:

See attached Table – Southwest Region

The following is a list of cities where Aqua Texas – Southwest Region provides water service:

City of Austin, City of Boerne, City of Cedar Park, City of Kerrville, and City of Woodcreek

**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 may be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.**

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

See attached Tables A and B – Southwest Region

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

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**Table A – Southwest Region**

<b>System Name</b>	<b>Subdivision/ Area Served</b>	<b>PWS ID</b>	<b>County</b>
Blue Medina Water	Medina River Ranch Blue Medina	0100030	Bandera
Lakewood Water	Lakewood Water Lakewood Park	0100047	Bandera
San Julian Creek Estates	San Julian Creek Estates	0100052	Bandera
Elmwood Estates	Elmwood Estates	0100053	Bandera
Comanche Cliffs	Comanche Cliffs	0100065	Bandera
Estates Utility Co. Stonegate	Stonegate	0150431	Bexar
Gruene River Development	Gruene River	0460185	Comal
Chaparral Water System Hays	Bliss Spillar	1050029	Hays
Woodcreek Utility Co. 1	Wimberley Woodcreek Woodcreek Phase I	1050037	Hays
Woodcreek Utility Co. 2	Wimberley Woodcreek Woodcreek Phase II	1050039	Hays
Leisurewoods Water	Leisurewoods	1050043	Hays
Southwest Territory	Southwest Territory	1050058	Hays and Travis
Meadow Woods Water Supply	Meadow Woods Arroyo Ranch Dove Hollow Estates Quail Meadows Subdivision	1050077	Hays
Granite Creek WSC	Granite Creek Blanco River Crossing	1050080	Hays
Copper Hills Water System	Copper Hills	1050082	Hays
Oak Meadows	Oak Meadows	1050100	Hays
Sierra West Subdivision	Sierra West Subdivision	1050134	Hays
Stonegate Water System	Stonegate	1300032	Kendall
Walnut Hills	Walnut Hills	1300034	Kendall
Ten West Ranches	Ten West Ranches	1300036	Kendall
Kendall Pointe	Kendall Pointe	1300041	Kendall
Center Point Taylor System	Center Point Taylor	1330010	Kerr
Erlund Subdivision	Erlund Subdivision Belaire Estates Clear Spring Ranch Estates Kerrville South Ranches No.1 Loudair Hill Subdivision Mountain Top Ranchettes Mountain View Estates Terre Verde Estates Tierra Grande	1330036	Kerr
Oak Forest South Water Supply	Oak Forest South Burney Oaks Fawn Run Quail Run Estates	1330091	Kerr

**Table A – Southwest Region (Cont.)**

<b>System Name</b>	<b>Subdivision/ Area Served</b>	<b>PWS ID</b>	<b>County</b>
Nickerson Farm Water System	Nickerson Farm	1330097	Kerr
Sleepy Hollow	Sleepy Hollow	1330101	Kerr
Pecan Valley	Pecan Valley	1330107	Kerr
Center Point North Water System	Center Point North	1330111	Kerr
Four Seasons	Four Seasons Castle Estates Dewberry Hollow Estates of Turtle Creek Lamb Creek Wood Creek Woodland Trail Estates	1330113	Kerr
Horseshoe Oaks Subdivision Water System	Horseshoe Oaks Subdivision	1330118	Kerr
Northwest Hills Subdivision	Northwest Hills Subdivision	1330124	Kerr
Bear Paw Water System	Bear Paw Highlands Ranch	1330126	Kerr
Park Place Subdivision	Park Place Park Place Subdivision	1330127	Kerr
Real Oaks Subdivision	Real Oaks Subdivision	1330139	Kerr
Cherry Ridge Water	Cherry Ridge	1330147	Kerr
Falling Water Subdivision	Falling Water Subdivision Reserve at Falling Water	1330154	Kerr and Kendall
Saddlewood Subdivision	Saddlewood Subdivision	1330155	Kerr
Cypress Springs	Cypress Springs	1330156	Kerr
Lake Vista Utility Co.	Lake Vista	1490017	Live Oak
Country View Estates	Country View Estates Big Valley	1630026	Medina
Valentine Ranch	Valentine Ranch	1630040	Medina
Golden Acres Water Co.	Golden Acres	1780019	Nueces
Rivercrest Water System	Rivercrest	2270041	Travis
Bear Creek Park	Bear Creek Park	2270043	Travis
Sandy Creek Ranches Subdivision	Bluffs of Sandy Creek	2270054	Travis
Onion Creek Meadows	Onion Creek Meadows	2270059	Travis
Mooreland Subdivision	Mooreland Subdivision	2270114	Travis
Hill Country Northwest Cherry Hollow	South Cherry Hollow Estates	2270173	Travis
Shady Hollow Estates WSC	Shady Hollow Estates	2270212	Travis
Barton Creek Lakeside	Shady Creek et al Lake Side Subdivision McDaniels Tract Red Bluff Estates	2270282	Travis and Burnet
Lakecliff on Lake Travis	Travis Lakeside	2270327	Travis



**Table B – Southwest Region (newly acquired)**

<b>System Name</b>	<b>Subdivision/ Area Served</b>	<b>PWS ID</b>	<b>County</b>
Stone Mountain Subdivision	Stone Mountain	0270134	Burnet
Canyon Ridge Springs	Canyon Ridge Springs	2270342	Travis and Burnet
Briarcreek Subdivision	Briarcreek Manor Briarcreek Subdivision	2270354	Travis
Brentwood Subdivision	Brentwood Subdivision	2350005	Victoria
South San Gabriel Ranches	South San Gabriel Ranches	2460026	Williamson
Tal Tex	Tal Tex Tonkawa Village Great Oaks Subdivision	2460064	Williamson
Eagle Creek Ranch	Eagle Creek Ranch The Estates at Eagle Creek	2470022	Wilson
Cardinal Valley Water	Cardinal Valley	1050068	Hays and Blanco
Mountain Crest Water Company	Mountain Crest	1050111	Hays
Guadalupe Heights Utility	Guadalupe Heights	1330009	Kerr
Westcreek Estates Water System	Westcreek Estates	1330028	Kerr
Loma Vista Water System	Loma Vista Shady Grove Spanish Oaks Estates Wood Hill Estates Wood Ridge Estates	1330041	Kerr
Aqua Vista Utilities	Aqua Vista	1330062	Kerr
Pecan Utilities Oak Ridge Subdivision	Pecan Utilities Oak Ridge Estates Subdivision	1500043	Llano
Indian Springs Subdivision	Indian Springs Subdivision	2270210	Travis
San Gabriel River Ranches	San Gabriel River Ranches	2460046	Williamson
San Gabriel Hidden Creek Estates	Hidden Creek Estates	2460046	Williamson

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" x 3/4"	<u>\$44.85</u> (Includes 0 gallons)	<u>\$2.85</u> per 1,000 gallons up to 5,000 gallons
1"	<u>\$112.13</u>	<u>\$4.00</u> per 1,000 gallons from 5,001 to 10,000 gallons
1½"	<u>\$224.25</u>	<u>\$5.50</u> per 1,000 gallons from 10,001 to 20,000 gallons
2"	<u>\$358.80</u>	<u>\$6.75</u> per 1,000 gallons thereafter
3"	<u>\$717.60</u>	
4"	<u>\$1,121.25</u>	
6"	<u>\$2,242.50</u>	
8"	<u>\$3,588.00</u>	
10"	<u>\$5,157.75</u>	
12"	<u>\$9,642.75</u>	

Regional Pass-Through Gallonage Charge: .....\$1.5413 per 1,000 gallons  
(*Tariff Control No. 48096*)

Monthly Minimum Charge for any meter size larger than 12" will be calculated using American Water Works Association (AWWA) approved meter equivalency factors.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Monthly Minimum Charges by Meter Size (Includes 0 gallons)

<b>Meter Size</b>	<b>Year 1 Beginning 1/1/2013</b>	<b>Year 2 Beginning 1/1/2014</b>	<b>Year 3 Beginning 1/1/2015</b>	<b>Year 4 Beginning 1/1/16 until changed</b>
5/8" x 3/4"	\$42.13	\$42.13	\$42.13	\$44.85
1"	\$105.33	\$105.33	\$105.33	\$112.13
1½ "	\$210.65	\$210.65	\$210.65	\$224.25
2"	\$337.04	\$337.04	\$337.04	\$358.80
3"	\$674.08	\$674.08	\$674.08	\$717.60
4"	\$1,053.25	\$1,053.25	\$1,053.25	\$1,121.25
6"	\$2,106.50	\$2,106.50	\$2,106.50	\$2,242.50
8"	\$3,370.40	\$3,370.40	\$3,370.40	\$3,588.00
10"	\$4,844.95	\$4,844.95	\$4,844.95	\$5,157.75
12"	\$9,057.95	\$9,057.95	\$9,057.95	\$9,642.75

Gallonge Charge

**Year 1 through 3 (1/1/2013 through 12/31/15)**

\$3.10 per 1,000 gallons up to 20,000 gallons

\$4.10 per 1,000 gallons thereafter.

No Regional Pass-Through Gallonge Charge for Year 1 through Year 3.

**Year 4 (Beginning 1/1/2016) until changed**

\$3.00 per 1,000 gallons up to 5,000 gallons

\$3.35 per 1,000 gallons from 5,001 to 10,000 gallons

\$3.50 per 1,000 gallons from 10,001 to 20,000 gallons

\$6.75 per 1,000 gallons thereafter.

Regional Pass-Through Gallonge Charge: .....\$1.5413 per 1,000 gallons  
(*Tariff Control No. 48096*)

Monthly Minimum Charge for any meter size larger than 12" will be calculated using American Water Works Association (AWWA) approved meter equivalency factors.

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

Cash X (If in person at designated locations), Check X, Money Order X, Credit Card X,  
Other (specify) Electronic Billing and Payment (See Section 2.06 Billing)

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.

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CASH, CREDIT CARD, OR ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

REGULATORY ASSESSMENT.....1.0%  
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.....\$900.00  
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 (Unique costs) .....Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE A SUBDIVISION IS A UNIQUE COST. UNIQUE COSTS WILL BE DETERMINED ON A CASE-BY-CASE BASIS.

TAP FEE (Larger meter) .....Actual Cost  
THIS TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" x 3/4" METERS. UNIQUE COSTS, SUCH AS ROAD BORES, WILL BE CHARGED IN ADDITION TO THIS TAP FEE AT THEIR ACTUAL COST OF INSTALLATION.

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00) .....\$25.00
- b) Customer's request that service be disconnected.....\$75.00

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

LATE CHARGE.....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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

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

METER TEST FEE.....\$25.00

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

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

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

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

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

CUSTOMER SERVICE INSPECTION FEE .....\$100.00

SERVICE APPLICANTS MAY CHOOSE TO HAVE CUSTOMER SERVICE INSPECTIONS REQUIRED BY TCEQ RULE 290.46(j) PERFORMED BY ANY STATE LICENSED INSPECTOR OF THEIR CHOICE. UNLESS THE SERVICE APPLICANT CHOOSES TO ARRANGE FOR AND PAY FOR THE INSPECTION INDEPENDENTLY, THE UTILITY MAY CHARGE SERVICE APPLICANTS THE CUSTOMER SERVICE INSPECTION FEE AT THE TIME THEY APPLY FOR SERVICE. IF A RE-INSPECTION IS REQUIRED TO BRING PLUMBING INTO COMPLIANCE WITH APPLICABLE REQUIREMENTS OR IF AN EXTRA INSPECTION APPOINTMENT IS REQUIRED BECAUSE A CUSTOMER DOES NOT PERMIT PERFORMANCE OF AN INSPECTION AT A PREVIOUSLY AGREED UPON APPOINTMENT TIME, THE CUSTOMER MAY CHOOSE TO HAVE ANY STATE LICENSED INSPECTOR OF THEIR CHOICE PERFORM THE INSPECTION. IF THE CUSTOMER CHOOSES TO HAVE THE UTILITY PERFORM THE INSPECTION OR RE-INSPECTION, THE CUSTOMER WILL BE CHARGED \$100.00 FOR EACH REQUIRED INSPECTION, RE-INSPECTION OR AGREED UPON INSPECTION APPOINTMENT AND WILL PAY THE UTILITY THE TOTAL AMOUNT OWED AT THE TIME AN INSPECTION OR RE-INSPECTION IS PERFORMED. THE UTILITY MAY, AT ITS OPTION, INCLUDE THE ADDITIONAL CHARGE OR CHARGES ON THE NEXT MONTH'S UTILITY BILL RATHER THAN REQUIRING PAYMENT AT THE TIME OF THE INSPECTION OR RE-INSPECTION. THE UTILITY MAY USE UTILITY EMPLOYEES OR MAY HAVE THE INSPECTION PERFORMED BY A LICENSED THIRD PARTY CONTRACTOR.

SECTION 1.0 -- RATE SCHEDULE (Continued)

ILLEGAL RECONNECTION, LOCK REMOVAL OR DAMAGE FEE .....\$85.00  
IN ORDER TO REIMBURSE THE UTILITY WITHOUT BURDENING OTHER CUSTOMERS WITH HIGHER RATES FOR THE ADDITIONAL COST OF SERVICE TRIPS TO DISCONNECT A CUSTOMER/ACCOUNT HOLDER WHO HAS BEEN DISCONNECTED FOR NONPAYMENT AND TO PAY FOR THE COST OF BROKEN OR CUT LOCKS AND SERVICE TIME, THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NONPAYMENT BY VALVING OFF, LOCKING OR REMOVING THE METER WHEN SERVICE TO THE PREMISES IS SUBSEQUENTLY RECONNECTED BY NON-UTILITY PERSONNEL BY CUTTING OR REMOVING THE LOCK, REOPENING THE VALVE, OR REMOVING OR BYPASSING THE METER WITHOUT AUTHORIZATION BY THE UTILITY. THIS FEE MAY BE CHARGED EACH TIME AN EVENT OCCURS AND SERVICE WILL NOT BE RECONNECTED UNTIL THIS FEE IS PAID IN ADDITION TO ANY OTHER BALANCES AND RECONNECT FEES. THIS FEE SHALL NOT BE CHARGED IF A FEE FOR A DAMAGED METER IS CHARGED OR IF THE ACCOUNT HOLDER OR HIS/HER REPRESENTATIVE INFORMS THE UTILITY WITHIN 24 HOURS AFTER DISCOVERING THAT SERVICE HAS BEEN RESTORED WITHOUT AUTHORIZATION OF THE UTILITY: (1) THAT SERVICE WAS RECONNECTED WITHOUT THE ACCOUNT HOLDER'S PERMISSION; AND (2) THE ACCOUNT HOLDER AGREES TO PAY FOR ALL WATER USED.

DAMAGED METER AND APPURTENANCES FEE.....Actual cost  
THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NONPAYMENT BY VALVING OFF OR LOCKING THE METER WHEN THE METER AND/OR METER APPURTENANCES, SUCH AS AN AMR UNIT OR CURB STOP, ARE DAMAGED IN ORDER TO RESTORE WATER SERVICE TO THE ACCOUNT HOLDER'S ORIGINAL PLACE OF SERVICE REQUIRING THE UTILITY TO REPAIR OR REPLACE THEM. THE ACCOUNT HOLDER SHALL BE CHARGED THE FULL COST OF REPAIRING AND/OR REPLACING ALL DAMAGED PARTS AS THE UTILITY DEEMS NECESSARY, INCLUDING LABOR AND VEHICLE COSTS. THIS WILL INCLUDE REPLACEMENT OF VALVES OR CURB STOPS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES.

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.  
[§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)

REGIONAL TEMPORARY WATER RATE:

UNLESS OTHERWISE SUPERSEDED BY PUC ORDER OR RULE, IF THE UTILITY IS ORDERED BY A COURT OR GOVERNMENTAL BODY OF COMPETENT JURISDICTION TO REDUCE ITS PUMPAGE, PRODUCTION OR WATER SALES, AQUA TEXAS SHALL BE AUTHORIZED TO INCREASE ITS APPROVED LINE ITEM CHARGES PER 1,000 GALLONS USED (GALLONAGE CHARGE & REGIONAL PASS-THROUGH GALLONAGE CHARGE) BY THE AMOUNT OF THE REGIONAL TEMPORARY WATER RATE INCREASE ("RTWR") CALCULATED ACCORDING TO THE FORMULA:

$$RTWR = (((PRR)(CGC)(R))/(1-R))*((APV)/(RPV))$$

Where:

RTWR	=	Regional Temporary Water Rate increase per 1,000 gallons
CGC	=	current total volume charge per 1,000 gallons used (Gallorage Charge + Regional Pass-Through gallorage charge)
R	=	water use reduction expressed as a decimal fraction (the pumping restriction)
PRR	=	percentage of revenues to be recovered expressed as a decimal fraction, for this tariff PRR shall equal 0.5.
APV	=	Annual Pumped and/or Purchased volume from the most recent rate application for the system or systems where the temporary restrictions are imposed; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed; and
RPV	=	Annual Pumped and Purchased volume for Region from the most recent rate application; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed

To implement the Regional Temporary Water Rate, Aqua Texas must comply with all notice and other requirements of § 24.21(i).

REGIONAL PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT:

SEE ATTACHED APPENDIX C.