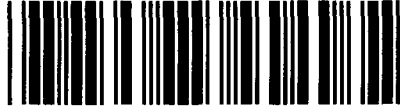




Control Number: 48097



Item Number: 6

Addendum StartPage: 0

TARIFF CONTROL NO. 48097

**APPLICATION OF AQUA TEXAS,
INC., AQUA UTILITIES, INC. AND
AQUA DEVELOPMENT, INC. DBA
AQUA TEXAS' NORTH REGION
REGIONAL TRUE-UP REPORT AND
REQUEST FOR A PASS-THROUGH
RATE CHANGE**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

2018 APR -6 PM 2:37

FILED - 48097 - 0000-11

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 Utilities, Inc., and Aqua Development, Inc. d/b/a Aqua Texas (Aqua Texas) filed a true-up report in compliance with Aqua Texas' North 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 \$0.1591 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

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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

Karen S. Hubbard
Managing Attorney



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TARIFF CONTROL NO. 48097 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

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. 48097;** *Application of Aqua Texas, Inc., Aqua Utilities, Inc. and Aqua Development, Inc. dba Aqua Texas' North 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 North Region Regional Pass-Through Gallonage Charge annual true-up report for its combined water pass-through gallonage charge for fees imposed on the utility. Aqua proposes to increase the water pass-through rate from \$0.2640 to \$0.4231 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 North region to the total amount of all regional passed-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 that the Commission:

- 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: 48097

Aqua Texas, Inc., Aqua Utilities, Inc., and
Aqua Development, Inc., dba Aqua Texas
(North 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, and 13201

This tariff is effective in the following counties:

See attached Table – North Region

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

City of Brazos Bend, City of Buffalo Gap, City of Granbury, The Town of Lakewood Village, City of Rhome, Town of Shady Shores, and City of Waco

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. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

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

See attached Table A – North Region

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.....	7
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SECTION 3.0 -- EXTENSION POLICY	22
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APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B – APPLICATION FOR SERVICE

APPENDIX C – PASS THROUGH AND TRUE-UP PROVISIONS

Table A – North Region			
System Name	Subdivision/ Area Served	PWS ID	County
Dogwood Hills North	Dogwood Hills North	0010038	Anderson
Dogwood Hills East	Dogwood Hills East	0010039	Anderson
Lame Duck Water System	Lame Duck	0180072	Bosque
China Spring Ranches	China Spring Ranches	0180082	Bosque and McLennan
Cherokee Point Water Co.	Cherokee Point	0320015	Camp
Eagles Bluff	Eagles Bluff Cedar Bay Shell Shores	0370052	Cherokee and Smith
FRF Water Systems 1345678	FRF	0490042	Cooke
Wren Water System	Wren	0610009	Denton
Woodland Hills	Woodland Hills	0610084	Denton
Hidden Valley Water System	Hidden Valley	0610099	Denton
Saratoga Estates	Saratoga Estates	0610163	Denton
Foxbane Combined WS	Foxbane Riggs Place Estates Double Tree Estates Sage Meadows Payton Place	0610164	Denton
Songbird Addition	Songbird	0610165	Denton
Hanby Acres	Hanby Acres Hanby View Estates	0610166	Denton
Ponder Acres Water System	Ponder Acres	0610201	Denton
Trail Creek Water System	Indian Trail Collingswood Prop Wash Avery Ranch Guy James Ranch	0610203	Denton
Cinnamon Ridge	Cinnamon Ridge Drop M Estates Sunny Ranches	0610209	Denton
Dove Hollow Water System	Dove Hollow	0610210	Denton
Willow Wood Addition Meadow Vista	Meadow Vista Willow Wood	0610212	Denton
Spanish Oaks Addition	Spanish Oaks	0610214	Denton
Spring Hill Estates	Spring Hill Estates	0610218	Denton
Stony Hills Water System	Stony Hills	0610220	Denton
Old Stony Estates	Old Stony Estates	0610224	Denton
Sunny Ranches	Sunny Ranches	0610229	Denton
Ponderosa Ranch	Ponderosa Ranch Hill Country Way Estates	0610233	Denton
Radecke Road Water System	Radecke Road	0610234	Denton
Stone Valley Farm	Stone Valley Farm	0610236	Denton

Table A – North Region (Cont.)			
System Name	Subdivision/ Area Served	PWS ID	County
Willow Springs Addition	Willow Springs	0610237	Denton
Shale Creek Community	Shale Creek	0610238	Denton, Wise
Mountain Lakes Addition	Mountain Lakes	0720037	Erath
Heritage Estates	Heritage Estates	0910139	Grayson
Forest Lake Subdivision	Forest Lake Forest Park Timber Lakes	0920026	Gregg
Lake Utility Co.	Lake Utilities Dorsey Estates Peninsula Point Timber Lake Estates	1070059	Henderson
Lake Palestine Water Co.	Lake Palestine Water Parkside Shores Cherokee Estates Forest Grove South Holly Hills Lake Point Estates Sunrise Shores Twin Oaks Estates Woodland Hills Woodridge	1070198	Henderson
Phoenix Water Works	Phoenix	1070211	Henderson
High Point Water Co.	High Point	1070233	Henderson
Safari Water System	Safari Waters Ranch Champions Ranch	1070247	Henderson
Rock Harbor Estates	Rock Harbor Estates	1110024	Hood
Sandy Beach Subdivision	Sandy Beach	1110026	Hood
Whippoorwill Bay Subdivision	Whippoorwill Bay	1110027	Hood
Brazos River Acres	Brazos River Acres	1110028	Hood
Mountain View Subdivision	Mountain View Knob Hill	1110035	Hood
River Country Acres	River Country Acres	1110045	Hood
Eastwood Village	Eastwood Village East Park	1110052	Hood
Lake Country Acres	Lake Country Acres Big Timber Estates	1110059	Hood and Parker
North Fork Creek	North Fork Creek I	1110074	Hood
River Run Subdivision	River Run	1110076	Hood
Sunset Acres Subdivision	Sunset Acres	1110077	Hood
Blue Water Shores	Blue Water Shores	1110079	Hood
Nolan Creek Estates	Nolan Creek Estates	1110080	Hood
Plaza East	Plaza East	1110082	Hood

Table A – North Region (Cont.)			
System Name	Subdivision/ Area Served	PWS ID	County
Hunterwood Subdivision Water System	Hunterwood Lakeside Hills	1110083	Hood
Sunchase Meadows	Sunchase Meadows Sunchase Hills Sunchase Village	1110087	Hood
North Fork Creek II	North Fork Creek II Meadowlark Addition	1110088	Hood
Country Meadows Subdivision	Country Meadows	1110089	Hood
Midhaven Estates	Midhaven Estates	1110094	Hood
Mallard Pointe Subdivision	Mallard Pointe	1110112	Hood
Peninsula Addition	Peninsula	1110115	Hood
Bentwater on Lake Granbury	Bentwater on Lake Granbury	1110116	Hood
Rockwall East Mini Ranch	Rockwall East Mini Ranch	1160011	Hunt
Holiday Estates Water	Holiday Estates	1160028	Hunt
Quinlan North Subdivision	Quinlan North	1160063	Hunt
Quinlan South Subdivision	Quinlan South	1160064	Hunt
Barrow Subdivision	Barrow Christy Vista	1160066	Hunt
Crazy Horse Subdivision	Crazy Horse	1160067	Hunt
Oak Ridge Estates	Oak Ridge Estates	1160079	Hunt
Country Wood Estates	Country Wood Estates M G M Estates	1160093	Hunt
Oakview Farms Subdivision	Oakview Farm Village Creek Estates	1260010	Johnson
Peaceful Meadows Subdivision	Peaceful Meadows	1260067	Johnson
Shady Hills Estates Water System	Shady Hills Estates	1260071	Johnson
Shady Meadows Estates	Shady Meadows Estates	1260072	Johnson
Garden Acres	Garden Acres	1260092	Johnson
Walden Estates	Walden Estates	1260101	Johnson
China Spring Water Company	China Spring	1550021	McLennan
North County Water Supply	North County Water Supply	1550049	McLennan
Western Hills Water System	Western Hills Brettwood Addition Lazy Acres Schwann Lane Westlake Addition Park One	1550072	McLennan
T & A Water System	T & A Water System	1550085	McLennan
Rivercrest Water Co.	Rivercrest	1550089	McLennan
Smith Water	Smith Water	1550091	McLennan

Table A – North Region (Cont.)			
System Name	Subdivision/ Area Served	PWS ID	County
V L S	V L S	1550113	McLennan
Tubbs Water System	Tubbs Water System	1550125	McLennan
Goodall Water System	Goodall Water System	1550126	McLennan
North Bosque Estates Water Supply	North Bosque Estates	1550129	McLennan
Behringer Water System	Behringer	1550130	McLennan
Crestwood Water Co.	Crestwood	1580016	Marion
Tanglewood Estates	Tanglewood Estates	1840011	Parker
Live Oak Hills Addition	Live Oak Hills	1840012	Parker
Ashcreek Addition	Ashcreek Acres Reynolds Creek Estates	1840013	Parker
Springtown Subdivision	Springtown	1840015	Parker
La Junta	La Junta	1840016	Parker
Agnes Subdivision	Agnes	1840017	Parker
Lazy Bend Estates	Lazy Bend Estates	1840018	Parker
Shangri La Subdivision	Shangri La West Forty Acres Azle West 40 Canyon Country Estates Cherry Valley	1840021	Parker
Flat Rock Estates	Flat Rock Estates	1840035	Parker
Deer Butte Subdivision	Deer Butte Ranchos	1840037	Parker
Remuda Ranch Estates	Remuda Ranch Estates	1840047	Parker
Windsor Estates	Windsor Estates	1840076	Parker
Kinbrook Estates	Kinbrook Estates	1840094	Parker
Sandy Acres Addition	Sandy Acres Fox Hollow	1840098	Parker
Timbercreek Valley	Timbercreek Valley	1840108	Parker
Saddle Club Estates	Saddle Club Estates Oaks Subdivision	1840130	Parker
Boling Ranch Estates	Boling Ranch Estates	1840133	Parker
Woodlands of Parker County & Old Bank	Woodlands of Parker County Old Bankhead Highway The Woodlands	1840138	Parker
Enchanted Lakes Water System	Enchanted Lakes	2120045	Smith
WWW Water System	WWW Water System	2120077	Smith
Squaw Creek Subdivision Water System	Squaw Creek	2130021	Somervell
Greenfields on Squaw Creek	Greenfields on Squaw Creek	2130036	Somervell
Cottonwood Hills Estates	Cottonwood Hills Estates	2200045	Tarrant
Linkwood Estates Subdivision	Linkwood Estates	2200061	Tarrant

Table A – North Region (Cont.)			
Subdivision/ Area Served	PWS ID	County	
Slay Estates	Slay Estates	2200072	Tarrant
Blue Mound Estates	Blue Mound Estates	2200100	Tarrant
Southwood Addition	Southwood	2200108	Tarrant
Avondale Heights	Avondale Heights	2200184	Tarrant
Eagles Nest	Eagles Nest	2200185	Tarrant
Lunar Lane Water System	Lunar Lane Oak Grove Acres	2200208	Tarrant
Silver Creek Estates	Silver Creek Estates	2200277	Tarrant
Ranch Oaks Subdivision	Ranch Oaks	2200291	Tarrant
North Ridge Estates	North Ridge Estates	2200326	Tarrant
North Fork Estates	North Fork Estates North Fork Addition	2200329	Tarrant
Sun Valley Estates Water Supply	Sun Valley Estates	2200337	Tarrant
Savanna Estates	Savanna Estates	2200338	Tarrant
Van Zandt Farms	Van Zandt Farms	2200341	Tarrant
Carson Ranch	Carson Ranch	2200343	Tarrant
The Resort at Eagle Mountain Lake	The Resort	2200344	Tarrant
Prairie Ridge Estates	Prairie Ridge Estates	2200348	Tarrant
Gap Water	The Gap	2210023	Taylor
Sunshine Meadows Water Utility	Sunshine Meadows By Well Lexington	2490040	Wise
Highland Meadows Water System	Highland Meadows	2490042	Wise
Strawberry Estates	Strawberry Estates	2490045	Wise
Mesa Ridge Subdivision	Mesa Ridge	2490047	Wise
Diamond Ridge	Diamond Ridge	2490052	Wise
Reatta Estates	Reatta Estates	2490056	Wise
Highland Hills	Highland Hills	2490057	Wise
Chisholm Springs	Chisholm Springs	2490060	Wise
Hawk Ridge	Hawk Ridge	2490077	Wise
Clear Lakes	Clear Lakes	2500017	Wood

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Monthly Minimum Charges by Meter Size (Includes 0 gallons)

Meter Size	Year 1 (Partial) 5/1/2013 through 12/31/2013	Year 2 Beginning 1/1/2014	Year 3 Beginning 1/1/2015 Until Changed
5/8" x 3/4"	\$45.06	\$45.06	\$45.06
1"	\$112.65	\$112.65	\$112.65
1½ "	\$225.30	\$225.30	\$225.30
2"	\$360.48	\$360.48	\$360.48
3"	\$720.96	\$720.96	\$720.96
4"	\$1,126.50	\$1,126.50	\$1,126.50
6"	\$2,253.00	\$2,253.00	\$2,253.00
8"	\$3,604.80	\$3,604.80	\$3,604.80
10"	\$5,181.90	\$5,181.90	\$5,181.90
12"	\$9,687.90	\$9,687.90	\$9,687.90

Gallonge Charge: Per 1,000 gallons used

	Year 1 (Partial) 5/1/2013 through 12/31/2013	Year 2 Beginning 1/1/2014	Year 3 Beginning 1/1/2015 Until Changed
1 to 5,000 gallons	\$2.40	\$2.65	\$2.85
5,001 to 10,000 gallons	\$4.70	\$4.82	\$4.95
10,001 to 20,000 gallons	\$7.13	\$7.13	\$7.13
20,001 and over	\$7.60	\$7.60	\$7.60

Regional Pass-Through Gallonge Charge:.....\$0.4231 per 1,000 gallons
(*Tariff Control No. 48097*)

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 REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$1,100.00

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. [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)

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
(Gallonage Charge + Regional Pass-Through gallonage 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(l).

REGIONAL PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT:

SEE ATTACHED APPENDIX C.