



Control Number: 48505



Item Number: 33

Addendum StartPage: 0

RECEIVED

DOCKET NO. 48505

PLAINTS AM10: 35

**APPLICATION OF SHELCON
SERVICES AND CREST WATER
COMPANY FOR SALE, TRANSFER, OR
MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN TARRANT
COUNTY** §
§
§
§
§
§

**PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS**

**MOTION TO ADMIT EVIDENCE AND
PROPOSED NOTICE OF APPROVAL**

COME NOW Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and Crest Water Company (Crest) (collectively, Parties), and file this Motion to Admit Evidence and Proposed Notice of Approval (Attachment A) in response to Order No. 9. In support thereof, the Parties would show the following:

I. BACKGROUND

On July 2, 2018, Shelcon Services (Shelcon) and Crest (collectively, Applicants) filed an application for approval of a sale, transfer, or merger (STM) of facilities and Certificate of Convenience and Necessity (CCN) rights in Tarrant County, Texas. Specifically, Applicants entered into an agreement for the purchase of Mustang Creek Estates public water system (PWS). If approved, Shelcon will deed to Crest the Mustang Creek Estates PWS facilities and water service area under CCN No. 13055. The total area being requested includes approximately 358 acres and 79 current customers. On July 24, 2018, Crest filed a supplement to its application in response to Order No. 1. Crest supplemented its application again on August 14, 2018, September 28, 2018 and October 8, 2018. On October 2, 2018, Crest filed a Motion for Waiver of Oath for Transferor.

On October 15, 2018, the Administrative Law Judge (ALJ) issued Order No. 4, granting Crest's good-cause waiver of the oath for transferor because Crest has been unable to obtain Shelcon's signature on the oath for transferor portion of the STM application despite multiple

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attempts. The ALJ further acknowledged Crest's statement that Crest has been acting as owner and operator of the PWS at issue since December 2016; Crest and Shelcon both signed a contract for Crest to purchase the PWS on December 12, 2016.

On February 28, 2019, the ALJ issued Order No. 9, finding the closing documents sufficient and requiring the Parties to file joint proposed findings of fact and conclusions of law by April 15, 2019. This pleading is therefore timely filed.

II. MOTION TO ADMIT EVIDENCE

In order to complete the evidentiary record, the Parties respectfully request that the following additional documents be admitted into evidence in this proceeding for the purpose of supporting a Commission notice of approval:

- (1) Application of Shelcon and Crest filed on July 2, 2018 and supplements to the application filed on July 24, 2018, August 14, 2018, September 28, 2018, and October 8, 2018;
- (2) Crest's Motion for Waiver of Oath for Transferor filed on October 2, 2018;
- (3) Staff's Supplemental Recommendation on Administrative Completeness filed on October 11, 2018;
- (4) Crest's proof of notice, filed on November 16, 2018 and November 21, 2018;
- (5) Staff's Recommendation on the Sufficiency of Notice filed on December 3, 2018;
- (6) Staff's Recommendation on the Transaction filed on January 9, 2019;
- (7) Crest's proof of the transaction filed on January 25, 2019 and February 22, 2019;
- (8) Staff's Recommendation on the Closing of Transaction filed on February 27, 2019;
and
- (9) Crest's consent forms filed on April 1, 2019.
- (10) The final maps, certificates, and tariffs filed on April 15, 2019, attached to the Proposed Notice of Approval.

III. PROPOSED NOTICE OF APPROVAL

The Parties respectfully request that the Commission adopt the attached Proposed Notice of Approval.

IV. CONCLUSION

The Parties respectfully request that the ALJ grant the admittance of the evidence specified herein, and adopt the attached proposed notice of approval.

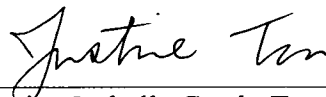
Date: April 15, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

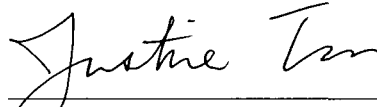


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DOCKET NO. 48505

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 15, 2019, in accordance with 16 TAC § 22.74.



Justine Isabelle Caedo Tan

ATTACHMENT A

DOCKET NO. 48505

APPLICATION OF SHELCON	§	PUBLIC UTILITY COMMISSION
SERVICES AND CREST WATER	§	
COMPANY FOR SALE, TRANSFER, OR	§	OF TEXAS
MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN TARRANT	§	
COUNTY		

PROPOSED NOTICE OF APPROVAL

This Notice addresses the application of Shelcon Services (Shelcon) and Crest Water Company (Crest) for approval of Crest’s purchase of the Mustang Creek Estates public water system (PWS) from Shelcon. Shelcon will deed the Mustang Creek Estates PWS facilities and water service area under CCN No. 13055, which will be transferred to Crest’s CCN No. 12037.

The Commission approves the Application.

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

I. FINDINGS OF FACT

Applicants

1. Shelcon Services is a utility company that provides water service in Texas under CCN No. 13055.
2. Crest is a utility company that provides water service in Texas under CCN No. 12037.

Application

3. On July 2, 2018, Shelcon and Crest filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Tarrant County. Specifically, Shelcon and Crest seek approval of Crest’s purchase of the Mustang Creek Estates PWS from Shelcon.
4. The total area being requested comprises approximately 358 acres and 79 current customers.
5. Crest filed supplements to the application on July 24, 2018, August 14, 2018, September 28, 2018, and October 8, 2018.

6. On October 2, 2018, Crest filed a motion for waiver of oath for transferor, stating that it has been unable to obtain Shelcon's signature despite multiple attempts and has been acting as owner and operator of Mustang Creek PWS since December 2016.
7. In Order No. 4 issued on October 15, 2018, the Commission administrative law judge (ALJ) granted Crest's motion, deemed the application administratively complete, required notice to be given, and established a procedural schedule.

Notice of Application

8. Notice of the application appeared in the July 27, 2018 issue of the *Texas Register*.
9. On November 16, 2018 and November 21, 2018, Crest filled the affidavit of James A Dyche, attesting that notice was provided to current customers, neighboring utilities, and affected parties on November 8, 2018.
10. In Order No. 5 issued on December 6, 2018, the ALJ deemed the notice sufficient and established a procedural schedule.

Sale

11. In Order No. 6 issued on January 10, 2019, the ALJ approved the sale and transfer to proceed and required completion of the sale and transfer within 180 days.
12. On January 25, 2019, Crest filed as its proof of the transaction a copy of the contract for Crest's purchase of the Mustang Creeks PWS from Shelcon, signed by Crest and Shelcon on December 12, 2016. On February 22, 2019, Crest supplemented its proof of the transaction with the affidavit of James A. Dyche, which included an explanation of Crest's attempts to contact Shelcon, a statement that Crest has been acting as owner and operator of Mustang Creek PWS since December 2016, and a statement addressing customer deposits.
13. In Order No. 9 issued on February 28, 2019, the ALJ found the closing documents sufficient and established a procedural schedule.

Evidentiary Record

14. In Order No. ___ issued on _____, 2019, the ALJ admitted the following evidence into the record: (1) Application of Shelcon and Crest filed on July 2, 2018 and supplements to the application filed on July 24, 2018, August 14, 2018, September 28, 2018, and October 8, 2018; (2) Crest’s Motion for Waiver of Oath for Transferor filed on October 2, 2018; (3) Staff’s Supplemental Recommendation on Administrative Completeness filed on October 11, 2018; (4) Crest’s proof of notice, filed on November 16, 2018 and November 21, 2018; (5) Staff’s Recommendation on the Sufficiency of Notice filed on December 3, 2018; (6) Staff’s Recommendation on the Transaction filed on January 9, 2019; (7) Crest’s proof of the transaction filed on January 25, 2019 and February 22, 2019; (8) Staff’s Recommendation on the Closing of Transaction filed on February 27, 2019; (9) Crest’s consent form filed on April 1, 2019; and (10) the final map, certificate, and tariff filed on April 15, 2019, attached to the Proposed Notice of Approval.

Compliance – TWC § 13.301(d), 16 TAC § 24.239(j)(5)(A)

15. The requested area has numerous compliance violations, and is under enforcement by the Texas Commission on Environmental Quality (TCEQ). Crest has a plan to address the enforcement issues and make the necessary capital improvements to the PWS in order to provide adequate service to the requested area.

Adequacy of Existing Service – TWC § 13.301(d), 16 TAC § 24.239(J)(5)(B); TWC § 13.246(c)(1), 16 TAC § 24.227(d)(1)

16. Crest has been acting as owner and operator in the requested area and has been providing service through the Mustang Creek PWS since December 2016.

Need for Additional Service – TWC § 13.301(d), 16 TAC § 24.239(j)(5)(C); TWC § 13.246(c)(2), 16 TAC § 24.227(d)(2)

17. The application is to transfer only existing facilities, customers and service areas.

18. Crest has not received any new requests for service, and Crest is not requesting to add additional uncertificated area.

19. Shelcon’s existing customers in the requested areas have a need for service.

Effect of Approving the Transaction – TWC § 13.301(d), 16 TAC § 24.239(j)(5)(D); TWC §13.46(c)(3), 16 TAC § 24.227(d)(3)

20. There will be no effect on any retail public utility servicing the proximate area since the requested area has an existing water system.

21. Crest and Shelcon are the only utilities affected by this sale and transfer.

22. Water rates and services will not change because of the sale and transfer.

Ability to Serve: Managerial and Technical - TWC § 13.301(b), 16 TAC § 24.239(g), (j)(5)(E); TWC §§ 13.241(a) and 13.246(c)(4), 16 TAC § 24.227(a)(4)

23. Crest has sixteen public water systems registered with the TCEQ, which serve approximately 1,184 water connections.

24. Crest currently has four licensed groundwater operators, two Class B operators, and two Class C operators.

25. Crest has demonstrated adequate managerial and technical expertise to provide adequate water service.

Ability to Serve: Financial Ability and Stability - TWC § 13.301(b), 16 TAC § 24.239(g), (j)(5)(G); TWC §§ 13.241(a) and 13.246(c)(6), 16 TAC § 24.227(a), (d)(6)

26. Crest's projected operating revenues are sufficient to cover the projected operations and maintenance expense for the first five years after the completion of the proposed sale and transfer.

27. Crest's debt-to-equity ratio is less than one.

28. Crest demonstrated that it has the available cash levels to serve the requested areas.

29. Crest submitted projections in its application, which show that net income from continuing operations is projected to be positive for the next five years. Thus, there are no shortages to cover.

30. Crest has demonstrated the financial capability to provide adequate water service.

Financial Assurance – TWC § 13.246(d), 16 TAC § 24.227(e)

31. There is no need to require Crest to provide a bond or other financial assurance to ensure continuous and adequate service.

Service From Adjacent Retail Public Utility – TWC § 13.301(d), 16 TAC § 24.239(j)(5)(F); TWC § 13.246(c)(5), 16 TAC § 24.227(d)(5)

32. Crest has been serving the customers in the requested area since December 2016. Following the transfer, Crest will provide service using existing infrastructure; therefore,

the feasibility of obtaining service from another adjacent retail public utility was not considered.

Regionalization or Consolidation – TWC § 13.241(d), 16 TAC § 24.227(b)

33. Crest does not anticipate building any new facilities to continue serving the area.

Environmental Integrity – TWC § 13.301(d), 16 TAC § 24.239(j)(5)(H); TWC § 13.246(c)(7), 16 TAC § 24.227(d)(7)

34. The environmental integrity of the land will not be affected as no additional construction is needed to provide service to the requested area.

Effect on the Land – TWC § 13.246(c)(9), 16 TAC § 24.227(d)(9)

35. The area will be served with existing infrastructure, and the transfer should have a minimal effect on the land.

Improvement of Service – TWC § 13.301(d), 16 TAC § 24.239(j)(5)(I); TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

36. Crest intends to improve customer service and communications with customers.

37. Crest intends to improve regulatory compliance issues.

Lowering of Costs – TWC § 13.301(d), 16 TAC § 24.239(j)(5)(I); TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)

38. Customers in the requested area will be charged the same rates they were charged before the sale of Shelcon's PWS.

Tariff and Maps

39. On February 19, 2019, Commission Staff emailed to Crest proposed maps, certificates, and tariffs related to this docket.

40. On March 6, 2019 and March 12, 2019, Crest filed consent forms concurring with the maps and certificates as prepared by Commission Staff.

41. The proposed tariffs, certificates, and maps were filed as an attachment to the proposed notice of approval filed jointly by Crest and Commission Staff on April 15, 2019.

Informal Disposition

42. More than 15 days have passed since the completion of the notice provided in this docket.
43. No issues of fact or law are disputed by the parties.
44. The sale and transfer approved in this Order is not adverse to any party.
45. No hearing is necessary in this proceeding.

II. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this application under TWC §§ 13.041, 13.241, 13.246, 13.251, and 13.301.
2. Shelcon and Crest are retail public utilities as defined in TWC § 13.002(19) and 16 TAC § 24.3(59).
3. Public notice of the application was provided as required by TWC § 13.301(a)(2) and 16 TAC § 24.239(a), (b), (c), and (e).
4. The Commission processed the application in accordance with the requirements of TWC §§ 13.251 and 13.301 and 16 TAC § 24.239.
5. After consideration of the factors in TWC § 13.246(c), Crest has demonstrated adequate financial, managerial, and technical capability under TWC § 13.251 and 16 TAC § 24.239(g) to provide adequate and continuous service to the requested area.
6. Crest complied with the requirements of 16 TAC § 24.239(m) with respect to customer deposits.
7. Crest completed the sale within the time authorized by the Commission in accordance with 16 TAC § 24.239(o).
8. Crest has demonstrated that it is necessary for the service, accommodation, convenience, and safety of the public to transfer the public water system area under CCN No. 13055 from Shelcon to Crest's CCN No. 12037. Shelcon's CCN No. 13055 will be cancelled.
9. Crest must record a certified copy of the certificate transferred and maps approved by the Order, along with a boundary description of the service areas, in the real property records of Tarrant County within 31 days of receiving the Order and submit to the Commission evidence of the recording. TWC § 13.257(r), (s).

III. ORDERING PARAGRAPHS

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

1. The Commission approves Crest's purchase of Shelcon's PWS and the transfer of the service area covered by Shelcon's water CCN No. 13055 to Crest, to the extent provided in the Order.
2. The Commission cancels CCN No. 13055.
3. The Commission approves the water-service tariff attached to this Order.
4. Within ten days after the Order is issued, Commission Staff must file a clean copy of the tariff approved by the Order to central records to be marked *Approved* and filed in the Commission's tariff books.
5. Crest must provide continuous and adequate water service to every customer and applicant for service within the service area for water CCN number 12037 in accordance with Crest's water tariff.
6. Crest must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Tarrant County affected by the application.
7. Crest must submit to the Commission evidence of the recording no later than 45 days after receipt of the signed Order.
8. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of _____, 2019

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE

CREST WATER COMPANY

CCN 12037

(Docket No. 48505)

TARIFF



WATER UTILITY TARIFF
Docket No 48505

James A. Dyche dba Crest Water Company
(Utility Name)

P.O. Box 460, 840 Betsy Road
(Business Address)

Keene, Texas 76049
(City, State, Zip Code)

(817) 645-5493
(Area Code/Telephone)

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

12037

This tariff is effective in the following counties:

Ellis, Hill, Johnson, Somervell, Tarrant

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

None

This tariff is effective in the following subdivisions or systems:

See Attached List

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.....	3
SECTION 2.0 – SERVICE RULES AND POLICIES.....	5
SECTION 2.20 – SPECIFIC EXTENSION POLICY.....	10

APPENDIX A – DROUGHT CONTINGENCY PLAN

List of Subdivisions/Systems

SUBDIVISION	PWS ID NUMBER	COUNTY
Buffalo Hills Water System	0700070	Ellis
Chisholm Trail Retreat	1090042	Hill
Cahill Country Water System	1260073	Johnson
Carnegie Development	1260066	Johnson
Fisherman's Paradise	1260056	Johnson
Granda Vista	1260120	Johnson
Mansfield South	1260066	Johnson
Mustang Creek Estates	2200353	Tarrant
Northcrest Addition	1260034	Johnson
Oak Leaf Trail	1260104	Johnson
Oakridge Mobile Home Subdivision	1260124	Johnson
Oak River Ranch	2130031	Somervell
Rolling Oaks Subdivision	1260064	Johnson
Sunset Canyon	NA	Johnson
Sunshine Country Acres	1260069	Johnson
Thomas Acres	1260068	Johnson
Westover Hills	1260128	Johnson
Woodland Oaks Estates	1260070	Johnson

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$39.00</u>	<u>\$4.60</u> per 1,000 gallons for 0 – 10,000 gallons
1"	<u>\$97.50</u>	<u>\$4.85</u> per 1,000 gallons for 10,001 – 20,000 gallons
2"	<u>\$195.00</u>	<u>\$5.10</u> per 1,000 gallons for 20,001 – 30,000 gallons
3"	<u>\$312.00</u>	<u>\$5.35</u> per 1,000 gallons for 30,001 – 40,000 gallons
		<u>\$5.60</u> per 1,000 gallons for 40,001–50,000 gallons
		<u>\$5.85</u> per 1,000 gallons for 50,001 – 60,000 gallons
		<u>\$6.10</u> per 1,000 gallons for 60,001 – 70,000 gallons
		<u>\$6.35</u> per 1,000 gallons for 70,001 + gallons

Purchased Water Fee: (Tariff Control No. 46600)

Prairielands Groundwater Conservation District Fee: \$0.023 per each 1,000 gallons

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

Cash X, Check X, Money Order X, MasterCard _, Visa _, Electronic Fund Transfer _
 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. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

Section 1.02 – Miscellaneous Fees

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

TAP FEE \$550.00
 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

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)

Section 1.02 – Miscellaneous Fees (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) Nonpayment 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%

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) \$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 § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallorage Charge</u>
5/8" or 3/4" 1.337 cubic feet	\$21.00 (includes 0 cubic feet)	\$1.50 per 100 cubic feet, 1 st
1" thereafter	\$33.40	\$2.20 per 100 cubic feet
1 1/2 "	\$66.60	
2"	\$106.60	
3"	\$200.00	
4"	\$333.40	

Cubic Feet X 7.481 = Gallons

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%

TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP 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.

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.....\$45.00

TRANSFER FEE.....\$45.00

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

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.....\$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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:.....N/A

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. [30 TAC 291.21(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)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

The utility's cost attributed to the water use pumping fees charged by Prairielands Groundwater Conservation District in Ellis County shall be passed through to all customers affected by such fees using the following calculations.

Fixed Charge:

Monthly Minimum Charge + (Annual Fee ÷ Numbers of Customers Affected ÷ 12 months)

Volume Charge:

Monthly Gallonage Charge per 1000 gallons + (Increase or Decrease in Pumpage Fee x 1.15)

To implement or modify the Pass through Adjustment Clause, the utility must comply with all notice requirements of 16 TAC §24.25(b)(2)(F).

Adjusted Gallonage Rate (AG) = $G + [B / (1-L)]$, where:

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

G = approved gallonage charge, per 1,000 gallons;

B = change in fee per 1,000 gallons;

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 or 15%.

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) rules relating to Water and Wastewater Utility regulations, 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 before water service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 — Water Installation

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and cut-off valve and/or take all necessary actions to initiate service. The utility shall serve each qualified applicant for service within its certified area as rapidly as is practical after accepting a completed application. The utility shall provide service in a timely manner on a non-discriminatory basis.

Service requests not involving line extensions, construction or new facilities shall be filled no later than fourteen (14) working days after a completed application has been accepted. If construction is required which cannot be completed within thirty (30) days, the utility shall provide a written explanation of the construction required and an expected date of service. Service shall be provided within thirty (30) days of the expected date, but no later than 180 days after a completed application was accepted. Failure to provide service within this time frame shall constitute refusal to serve.

2.03 — Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with both state and municipal regulations, the rules and regulations of the utility on file with the Commission and for the following reasons:

1. The applicant's installation or equipment is known to be inadequate or of such character that satisfactory service cannot be given;
2. The applicant is indebted to any utility for the same kind of service as that applied for, provided, however, that in the event the indebtedness of the applicant is in dispute, the applicant shall be served upon complying with the deposit requirement of the utility; or,
3. Refusal to make a deposit, if the applicant is required to make a deposit by the utility.

In the event that the utility shall refuse to serve an applicant, the utility must inform the applicant of the basis of its refusal. The utility is also required to inform the applicant that it may file a complaint with the Commission.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 – Miscellaneous Fees of this tariff.

The utility must keep records of the deposit, issue a receipt for it, and credit interest in accordance with PUC Rules. The utility shall maintain all funds received as customer deposits in a separate, federally insured, interest bearing account and shall use such funds only for the purpose of payment of unpaid bills guaranteed by such deposits, payment of interest to depositors, and refund of deposits to depositors.

The utility must automatically refund the deposit plus accrued interest:

1. If service is not connected;
2. After disconnection of service if the deposit or portion of the deposit exceeds any unpaid bills; or,
3. To any residential customer who has paid service bills for 12 consecutive months without being disconnected for non-payment and without more than two occasions in which a bill was delinquent. The refund need not be made if payment on the current bill is delinquent.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Section 2.05 — Meter Requirements, Readings, and Testing

All water sold by the utility will be billed based on meter measurements. The utility shall provide, install, own and maintain meters to measure amounts of water consumed by its customers. No meter shall be placed in service unless its accuracy has been established.

One meter is required for each residential, commercial, or industrial connection. An apartment building or a trailer or mobile home park may be considered to be a single commercial facility.

Service meters shall be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period. If the circumstances warrant, meters may be read at other than monthly intervals.

Upon request, a customer may have his meter tested, without charge, in his presence or in that of his authorized representative, at a convenient time to the customer, but during the utility's normal working hours. A charge not to exceed that specified in Section 1 of this tariff may be assessed for an additional test.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.06 — Billing

Bills from the utility shall be rendered monthly unless otherwise authorized by the Commission. Payment is considered late if not received at the utility's office or postal address within sixteen (16) days of the billing date. The postmark on the envelope of the bill or the recorded date of mailing by the utility, if there is no postmark on the envelope, shall constitute proof of the date of issuance.

A one-time penalty may be made on delinquent bills as specified in Section 1 of this tariff. However, no such penalty may be collected unless a record of the date of mailing is made at the time of the mailing and maintained at the principal office of the utility.

Each bill shall show the following information (if applicable):

1. The date and reading of the meter at the beginning and at the end of the period for which the bill is rendered;
2. The number and kind of units metered;
3. The applicable rate schedule, title, or code;
4. The total amount due for water service;
5. The due date of the bill;
6. The date by which customers must pay the bill in order to avoid addition of a penalty;
7. The total amount due as penalty for nonpayment within a designated period;
8. A distinct marking to identify an estimated bill; and,
9. Any conversions from meter reading units to billing units from recording or other devices, or any other factors used in determining the bill.

The information required in items 1-9 above shall be arranged to allow the customer to readily compute his bill with a copy of the utility's rate schedule which shall be provided by the utility at the request of the customer.

In the event of a dispute between the customer and a utility regarding any bill for utility service, the utility shall conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility shall inform the customer that a complaint may be filed with the Commission.

Section 2.07—Service Disconnection

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 has been given.

Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The notice must also list the past due balance.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Utility service may be disconnected after proper notice for any of the following reasons:

1. Failure to pay a delinquent account or to comply with a deferred payment agreement;
2. Willful violation of a utility usage rule when that violation interferes with another customer's service; or,
3. Failure to comply with valid deposit or guarantee arrangements.

Service may only be disconnected without notice as follows:

1. When a known dangerous condition exists, for as long as the condition exists;
2. When service is established through meter bypassing, an unauthorized connection or unauthorized reconnection; or,
3. In instances of tampering with the utility company's meter or equipment.

A utility may not disconnect any customer for failure to pay for merchandise or service unrelated to utility service, even if the utility provides that merchandise or those services. A utility may not disconnect any customer for a previous occupant's failure to pay.

Utility personnel must be available to make collections 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 because of a hazardous condition.

Section 2.08—Service Interruptions

The utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, each utility shall keep a complete record of all interruptions, both emergency and scheduled.

The Commission shall be notified in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice shall also state the cause of such interruptions.

Section 2.09—Termination of Utility Service

No utility may abandon any customer or any portion of its service area without prior written notice to affected customers and neighboring utilities and prior Commission approval.

Section 2.10 —Quality of Service

Each utility must 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. Minimum residual pressure at the consumer's meter shall be at least 20 psi during periods of peak usage and 35 psi during normal operating conditions.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

The water system quantity requirements of the Texas Department of Health shall be the minimum standards for determining the sufficiency of production, treatment, storage, transmission and distribution facilities of water utilities for household usage. Additional capacity shall be provided to meet the reasonable local demand characteristics of the service area.

Each utility shall furnish water which has been approved by the Texas Department of Health. The application of Commission rules shall not relieve the utility from complying with the requirements of the laws and regulations of the state, local department of health, local ordinances and all other regulatory agencies having jurisdiction over such matters.

SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the standard rules previously listed under Section 2.0 It must be reviewed and approved by the Commission to be effective.

None.

APPENDIX A – DROUGHT CONTINGENCY PLAN

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

CREST WATER COMPANY

CCN 12037

(Docket No. 48505)

CERTIFICATE



Public Utility Commission Of Texas

By These Presents Be It Known To All That

James A. Dyche

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, James A. Dyche is entitled to this

Certificate of Convenience and Necessity No. 12037

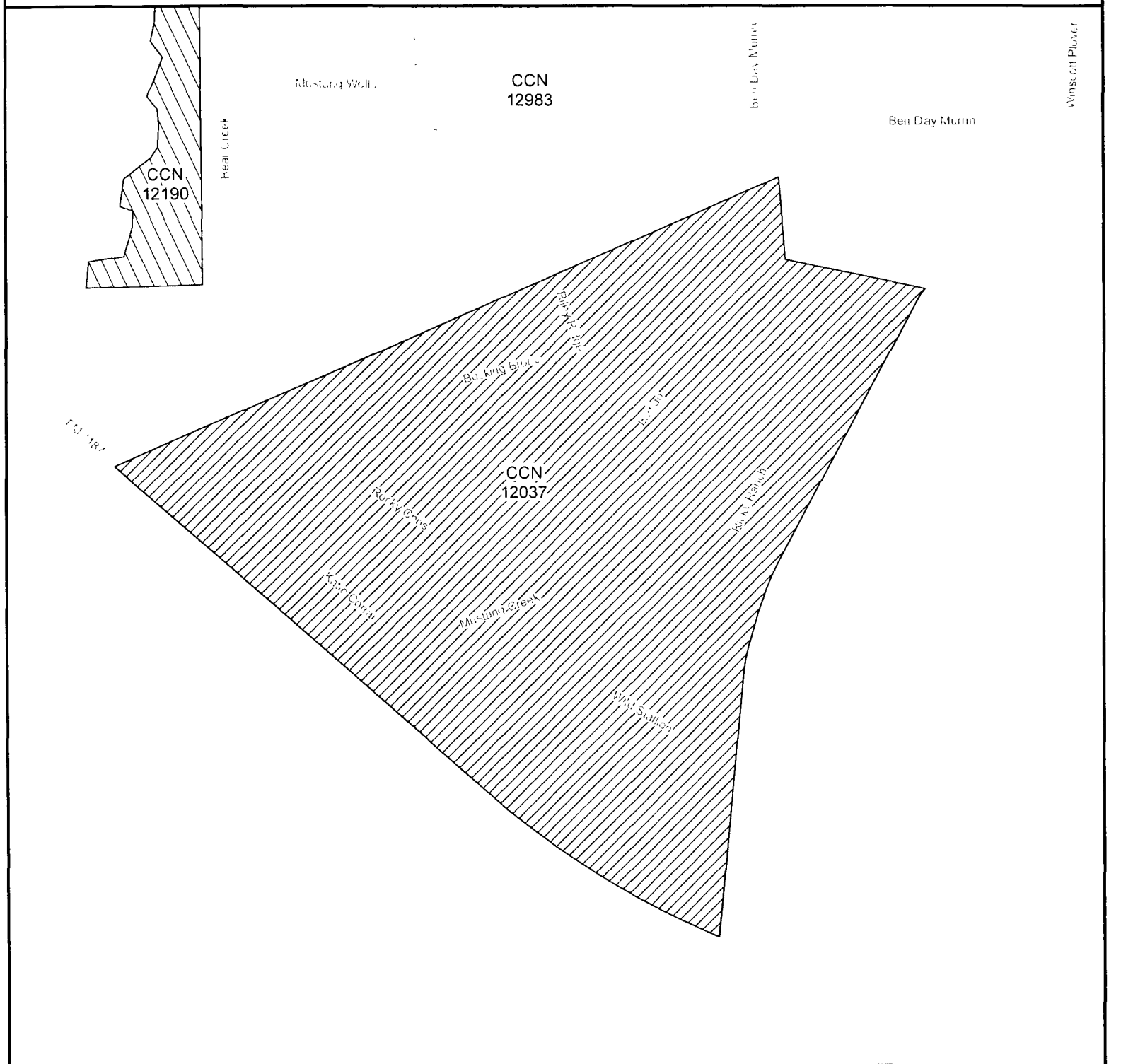
to provide continuous and adequate water utility service to that service area or those service areas in Johnson County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48505 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the James A. Dyche 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 _____ day of _____ 2019.

CREST WATER COMPANY
CCN 12037
(Docket No. 48505)




MAP

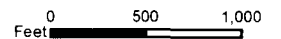
James A. Dyche dba Crest Water Company
 Portion of Water CCN No. 12037
 PUC Docket No. 48505
 Transferred all of Shelcon Services, CCN No. 13055 in Tarrant County



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

Water CCN

-  12037 - James A Dyche
-  12190 - Chuck Bell Water Systems
-  12983 - Monarch Utilities I LP



Map by Komal Patel
 Date created March 15, 2019
 Project Path n finalmapping\48505JamesDyche.mxd