

Control Number: 48804



Item Number: 6

Addendum StartPage: 0

APPLICATION OF CHUCK BELL  
WATER SYSTEMS, LLC FOR A  
PRICE INDEX RATE ADJUSTMENT

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PUBLIC UTILITY COMMISSION  
OF TEXAS

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**COMMISSION STAFF'S AMENDED SUPPLEMENTAL RECOMMENDATION ON  
ADMINISTRATIVE COMPLETENESS AND RECOMMENDATION ON FINAL  
DISPOSITION**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Supplemental Recommendation on Administrative Completeness and Recommendation on Final Disposition in response to Order No. 1. In support thereof, Staff shows the following:

**I. BACKGROUND**

On October 18, 2018, Chuck Bell Water Systems, LLC (CBWS) filed an application (Application) for a price index rate adjustment under Tex. Water Code § 13.1872 (TWC) and 16 Texas Administrative Code (TAC) § 24.49.<sup>1</sup>

On October 23, 2018, the Administrative Law Judge (ALJ) issued Order No. 1, requiring Staff to file a recommendation on the administrative completeness of the Application and notice on or before November 19, 2018. Staff filed their Recommendation on Administrative Completeness on November 16, 2018, recommending that the ALJ find the application administratively incomplete because CBWS had not answered the ALJ's questions in Order No. 1. CBWS filed their response to Order No. 1 on November 19, 2018. Staff now files this Supplemental Recommendation in response to CBWS's Response. Therefore, this pleading is timely filed.

**II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS**

As detailed in the attached memorandum of Kathryn Eiland in the Commission's Water Utility Regulation Division, Staff has reviewed the Application and recommends that it be found administratively complete and accepted for filing under TWC § 13.1872 and 16 TAC § 24.49.

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<sup>1</sup> Formerly 16 Tex. Admin. Code § 24.36.

### **III. RECOMMENDATION ON FINAL DISPOSITION**

Staff conducted a technical review of the Application under TWC § 13.1872 and 16 TAC § 24.49. Under TWC § 13.1872 and 16 TAC § 24.49, the Commission may adjust the rates of a Class C utility without the need for a hearing. Based upon the attached memorandum of Kathryn Eiland of the Commission's Water Utility Regulation Division, Staff recommends approval of the Application for an increase in water rates for CBWS. Approval of the Application would result in the approval of CBWS's proposed rates reflected in the attached memorandum. Staff has attached compliance tariff pages reflecting the proposed rate adjustment to this pleading.

### **IV. PROPOSED PROCEDURAL SCHEDULE**

Staff proposes the following procedural schedule for further processing of this docket:

<b>Event</b>	<b>Deadline</b>
Deadline for CBWS to provide notice to customers	December 10, 2018

### **V. CONCLUSION**

For the reasons stated above, Staff recommends that the Application be deemed administratively complete. Staff further recommends the Application be approved and CBWS be ordered to provide notice of the proposed change using only the notice pages as approved by the Commission at least 30 days before the effective date of the proposed change.

Dated: November 27, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney

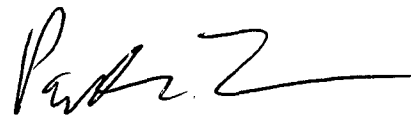


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**DOCKET NO. 48804**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on November 27, 2018 in accordance with 16 TAC § 22.74.



Patrick D. Todd

## PUC Interoffice Memorandum

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**To:** Patrick Todd, Attorney  
Legal Division

**Thru:** Tammy Benter, Director  
Debi Loockerman, Financial Manager  
Water Utility Regulation Division

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

**Date:** November 27, 2018

**Subject:** **Application No. 48804; Application of Chuck Bell Water Systems, LLC for a Price Index Rate Adjustment**

On October 18, 2018, Chuck Bell Water Systems, LLC (Applicant) filed an application for a price index rate adjustment. Pursuant to Tex. Water Code Ann. § 13.1872 and 16 Texas Administrative Code (TAC) § 24.49(c), a utility may request an increase to its tariffed monthly fixed customer or meter charges and monthly gallonage charges. In this case, the Applicant is requesting approval to adjust its water monthly meter charge and monthly gallonage rate based upon the Commission price index of 3.50%. The Applicant provided:

- 1) A completed Class C Water Utility Request for a Price Index Rate Adjustment;
- 2) A proposal for the provision of notice for the approved price index change;
- 3) A copy of the relevant pages of the utility's currently approved tariff and,
- 4) A filing in the correct assigned month of October.

The Applicant previously filed a price index adjustment application in October of 2017. This filing is the third price index adjustment for the Applicant. Therefore, the Applicant may file one more price index adjustment in accordance with TWC § 13.187(f).

The notice submitted with the Application provided for 30 day notice prior to the effective date as required by 16 TAC § 24.49(e). However, Staff did note that it did not disclose that 0 gallons were included in the water base rate. Staff has prepared an amended notice to correct this. Additionally, the Applicant correctly proposed increasing the gallonage rate for water from \$3.60 to \$3.73 per 1,000 gallons. The following table includes the previously approved and proposed water base rate by meter size:

Meter size (includes 0 gallons)	Approved Tariff base rate	Proposed Rate Adjustment
5/8" or 3/4"	\$41.27	\$42.71
3/4"	\$61.90	\$64.07
1"	\$103.16	\$106.77
1½"	\$206.33	\$213.55
2"	\$330.12	\$341.67

Staff identified that the Applicant correctly calculated billing comparisons for water using the base rate and block gallonage charges from the previous tariff rates and the proposed tariff rates.

Based upon review of the information submitted with the application, Staff recommends that the Commission:

- a) Approve the Class C Rate Adjustment and authorize the Applicant to collect water base rates and the gallonage rate as proposed in the application;
- b) Order the Applicant to provide notice (attached) in accordance with 16 TAC § 24.49(e) by December 10, 2018.
- c) Approve the effective date of February 1, 2019 to coincide with an appropriate billing cycle and to meet the 30 day notice requirement; and
- d) Approve the attached tariff pages.

# NOTICE OF APPROVED UTILITY PRICE RATE ADJUSTMENT

**Utility Name:** Chuck Bell Water Systems, LLC

**CCN Number(s):**                      **Water** 12190                      **Sewer** NA

The rates listed on the next page will apply to service received after the effective date listed on the notice below. This rate was requested by the utility and approved by the Public Utility Commission of Texas based on a percentage change in the price index, which is set by the Commission annually. Texas Water Code § 13.1872 allows the utility to receive an annual rate adjustment, without a hearing, based on the changes in the price index.

The following public water system(s), sewer system(s), and/or subdivision(s) will be affected by this rate adjustment:

Bear Creek Estates in Tarrant County; Bell Manor Subdivision, Buffalo Creek, Crowley II Acre Subddivision, Stonefi  
Subdivision, John Dame, Martin Creek Estates, and Sanders View Subdivison in Johnson County.

**Effective Date of Approved Increase:** February 1, 2019  
(must be at least 30 days from the date the customers receive notice)

The rate adjustment will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

**Address:** P. O. Box 731  
**City:** Crowley  
**State/Zip:** Texas 76036  
**Telephone:** (817) 980-6394

**Percent of Rate Adjustment:** 3.50%  
**Date Notice Delivered:** 12/10/2018  
**Date Meters are Read:** 2/1/2019

## Billing Comparison<sup>2</sup>

Charges based on Gallons (G) per Month (mo)

### Water:

Previous			New		
5,000 G	\$59.27	/mo	5,000 G	\$61.36	/mo
10,000 G	\$77.27	/mo	10,000 G	\$80.01	/mo
30,000 G	\$149.27	/mo	30,000 G	\$154.61	/mo

### Sewer:

Previous			New		
5,000 G	NA	/mo	5,000 G	NA	/mo
10,000 G	NA	/mo	10,000 G	NA	/mo

<sup>1</sup>The Texas Water Code limits the increase to the lesser of either 5% or the change in annual price index. The current annual price index change is published at:

<http://www.puc.texas.gov/industry/water/reports/Default.aspx>

<sup>2</sup>The billing comparison only includes base rate, block gallonage rate and gallonage rate charges.

# NOTICE OF APPROVED UTILITY PRICE RATE ADJUSTMENT

Utility Name: Chuck Bell Water Systems, LLC

CCN Number(s):                      Water                      12190                      Sewer                      NA

## WATER

BASE RATES		
Meter Size (includes 0 gallons)	Previous Monthly Base Rate	New Monthly Base Rate
5/8" or 3/4"	\$41.27	\$42.71
1"	\$61.90	\$64.07
1 1/2"	\$103.16	\$106.77
2"	\$206.33	\$213.55
3"	\$330.12	\$341.67

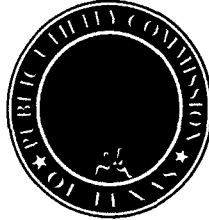
GALLONAGE CHARGES		
per 1000 gallons		
Previous Tariff Rates	Current Change in PUC Price Index	New Tariff Rates
\$3.60	3.50%	\$3.73

BLOCK GALLONAGE CHARGES						
Gallage Blocks (inclining or declining)				Previous Tariff Rates (per 1,000 gallons)	Current Change in PUC Price Index	New Tariff Rates (per 1,000 gallons)
From		to		gallons	NA	NA
From		to		gallons	NA	NA
From		to		gallons	NA	NA
From		to		gallons	NA	NA
For usage over				gallons	NA	NA

<sup>1</sup>The Texas Water Code limits the increase to the lesser of either 5% or the change in annual price index. The current annual price index change is published at:

<http://www.puc.texas.gov/industry/water/reports/Default.aspx>





**WATER UTILITY TARIFF**  
**Docket Number 48804**

Chuck Bell dba Chuck Bell Water Systems, LLC  
(Utility Name)

P.O. Box 731  
(Business Address)

Crowley, Texas 76036  
(City, State, Zip Code)

(817) 980-6394  
(Area Code/Telephone)

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

12190

This tariff is effective in the following counties:

Johnson and Tarrant

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

None

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

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):

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

This tariff is effective in the following Subdivisions or Systems:

<b>SUBDIVISION</b>	<b>PWS ID NUMBER</b>	<b>COUNTY</b>
Bear Creek Estates	2200336	Tarrant
Bell Manor Subdivision	1260080	Johnson
Buffalo Creek	1260084	Johnson
Crowley II Acre Subdivision, Stonefield Subdivision	1260012	Johnson
John Dame	1260090	Johnson
Martin Creek Estates	1260122	Johnson
Rock Creek Estates	1260082	Johnson
Sanders View Subdivision	1260086	Johnson

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (including 0 gallons)	<u>Gallage Charge</u>
5/8" x 3/4"	<u>\$42.71</u>	<u>\$3.73</u> per 1,000 gallons, over the minimum
3/4"	<u>\$64.07</u>	
1"	<u>\$106.77</u>	
1 1/2"	<u>\$213.55</u>	
2"	<u>\$341.67</u>	

Additional Gallage Charges:

Purchased Water Fees for Johnson County Special Utility District  
(Bell Manor Subdivision customers only) \$2.51/1000 gallons

Water Production Fee for Northern Trinity Groundwater  
Conservation District \$0.15/1,000 gallons  
(Bear Creek Estates Subdivision customers only) *(Tariff Control No. 48031)*

Water Production Fee for Prairielands Groundwater Conservation District  
(For all subdivisions except Bear Creek Estates in Tarrant County) \$0.24/1,000 gallons

Capital Improvement Surcharge for 72 months, Effective March 5, 2012  
\$5.65 per connection

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

Cash X, Check X, Money Order X, Credit Card \_\_\_\_\_, Other (specify) \_\_\_\_\_  
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT  
PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN  
FOR CASH PAYMENTS.

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

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$1,000  
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.

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  
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 \$25.00.

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 ..... \$30.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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 ..... \$60.00
- c) After Hours Reconnect Fee..... \$35.00

If after a customer has been notified that an after-hours charge will be assessed and the customer still chooses to have service connected after 5:00 p.m. instead of waiting until the next business day, the utility can charge an after-hours charge in addition to the normal fee; however, the total charge cannot exceed \$60.00. If service is required to be restored within 36 hours pursuant to 16 TAC 24.88(h)(1) the utility cannot charge the additional fee after the expiration of the first 24 hours following the payment of a disconnected delinquent account. If the customer requests to have the service reconnected after normal business hours within the first 24 hours following payment, the additional fee may be charged.

RECONNECT FEE. The Utility shall charge a reconnect fee of \$25.00 for reconnecting service during normal weekday business hours. A surcharge of \$35.00 may be charged when the customer requests service to be reconnected after 5:00pm on business days, weekends and holidays, subject to 16 TAC 24.167(h). The customer must be advised that this additional fee will be charged and given an opportunity to decline the service at the time the "after hours" reconnect request is originally made.

TRANSFER FEE ..... \$65.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

**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. [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.

**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:

$AG = G + B / (1 - L)$ , where:

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

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

B=change in purchased water/district gallonage charge (per 1,000 gallons);

L=system average line loss for preceding 12 months not to exceed 0.15

**FRANCHISE FEE ASSESSMENT.** Franchise fees levied by a municipality may be passed through to those customers inside the city generating the revenues upon which the franchise fee is calculated. Implementation of this pass through clause shall be subject to the notice and approval process of the city having original jurisdiction over these fees. Franchise fees may not be passed through or allocated to utility customers outside the municipality.

**EASEMENTS.** Pursuant to 16 TAC. 24.161(d), easements from customers may be required as a precondition of service when:

- (1) 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 property of a service applicant, the public utility may require the service applicant or land owner to grant a permanent recorded public easement dedicated to the public utility to construct, install, maintain, inspect and test water and/or sewer facilities necessary to serve the applicant.
- (2) As a condition of service to a new subdivision, public utilities may require developers to provide permanent recorded public utility easements to and throughout the subdivision sufficient to construct, install, maintain, inspect, and test water and/or sewer facilities necessary to serve the subdivision's anticipated service demands upon full occupancy.

## SECTION 2.0 -- SERVICE RULES AND POLICIES

### Section 2.01 – Public Utility Commission of Texas Rules

The utility will have the most current Public Utility Commission of Texas (PUC or 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 2.02 - Application for and Provision of Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

### Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

### Section 2.04 – Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - 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.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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 residential customer who has paid 18 consecutive billings without being delinquent.

### Section 2.05 - Meter Requirements, Readings, and Testing

All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers. One meter is required for each residential, commercial, or industrial connection.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. - The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

### Section 2.06 - Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

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.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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.

### Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

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

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

### Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

### Section 2.09 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.



SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

**Prorated Bills** - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

**Section 2.10 - Quality of Service**

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

**Section 2.11 - Customer Complaints and Disputes**

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the 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.

**SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND POLICIES**

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

## SECTION 3.0--EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

**LINE EXTENSION AND CONSTRUCTION CHARGES:** No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

**COSTS THE UTILITIES SHALL BEAR:** Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with TCEQ's Rules and Regulations for Public Water Systems.

**SECTION 3.20—SPECIFIC UTILITY EXTENSION POLICY**

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

## **APPENDIX A – DROUGHT CONTINGENCY PLAN**

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

**APPENDIX B – SAMPLE SERVICE AGREEMENT**  
**(Utility Must Attach Blank Copy)**

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