



Control Number: 50038



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DOCKET NO. 50038

**APPLICATION OF GUM ISLAND
UTILITY AND EAST HOUSTON
UTILITIES, INC. DBA KREBS
UTILITIES FOR A SALE, TRANSFER,
OR MERGER OF FACILITIES AND
CERTIFICATE RIGHTS IN LIBERTY
COUNTY**

**§ PUBLIC UTILITY COMMISSION
§
§ OF TEXAS
§
§
§**

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

COMES NOW the Staff of the Public Utility Commission of Texas (Staff) and files this Supplemental Motion to Admit Evidence and Notice of Approval with agreement from Gum Island Utility (Gum Island) and East Houston Utilities, Inc. dba Krebs Utilities (East Houston) (collectively, the Parties). In support thereof, the Parties show the following:

I. BACKGROUND

On September 20, 2019, Gum Island and East Houston (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of water facilities and certificate rights in Liberty County. Specifically, East Houston seeks to acquire Gum Island’s public water system and water service area held under Certificate of Convenience and Necessity (CCN) No. 12042 and to retain CCN No. 12042.

Order No. 10, filed October 1, 2020, adopted a procedural schedule establishing December 4, 2020, as the deadline for the Parties to file a proposed notice of approval, including findings of fact, conclusions of law, and ordering paragraphs. Therefore, this pleading is timely filed.

II. SUPPLEMENTAL MOTION TO ADMIT EVIDENCE

The Parties request the entry of the following items into the record of this proceeding: (a) applicants’ proof that the transaction was consummated filed on September 16, 2020 (Interchange Item No. 27); (b) Commission Staff’s recommendation on sufficiency of closing documents filed on October 1, 2020 (Interchange Item No. 28); (c) East Houston’s consent form filed on November

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2, 2020 (Interchange Item No. 30); (d) Gum Island's consent form filed on December 3, 2020 (Interchange Item No. 31); and (e) the map, certificate, and tariff attached to this motion.

III. PROPOSED NOTICE OF APPROVAL

The Parties have agreed on the attached Proposed Notice of Approval, which would approve the transfer of all of Gum Island's facilities and water service area, along with water CCN No. 12042, to East Houston. The Parties request that the Commission adopt the findings of fact, conclusions of law, and ordering paragraphs from Proposed Notice of Approval.

IV. CONCLUSION

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached Proposed Notice of Approval be adopted.

Dated: December 4, 2020

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

/s/ Eleanor D' Ambrosio
Eleanor D' Ambrosio
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1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7021
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Eleanor.Dambrosio@puc.texas.gov

DOCKET NO. 50038
CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on December 4, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Eleanor D'Ambrosio
Eleanor D'Ambrosio

DOCKET NO. 50038

APPLICATION OF GUM ISLAND UTILITY AND EAST HOUSTON UTILITIES, INC. DBA KREBS UTILITIES FOR A SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN LIBERTY COUNTY	§ § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the September 20, 2019 application of Gum Island Utility (Gum Island) and East Houston Utilities, Inc. dba Krebs Utilities (East Houston) for approval of a sale, transfer, or merger of facilities and certificate rights in Liberty County. The applicants seek to transfer all of Gum Island’s facilities and service area under water certificate of convenience and necessity (CCN) number 12042, along with the CCN, to East Houston. The Commission approves the application.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Gum Island is a wholly-owned subsidiary of Malley Corporation and obtained water CCN number 12042 in 1987.
2. Gum Island subsequently forfeited its corporate charter and water CCN number 12042, and the associated facilities and land reverted to Malley.
3. Through a series of conveyances starting in 1997 and ending in 2014, water CCN number 12042 and the associated land and facilities were conveyed to East Houston. None of these transactions received the required regulatory approval.
4. East Houston is a domestic for-profit corporation registered with the Texas secretary of state under file number 801457298.
5. East Houston has two assumed names of Krebs Utilities and TriKay Environmental Services registered with the Texas secretary of state.

6. East Houston is a retail public utility that provides water service under CCN number 11984 and sewer service under CCN number 20781 in Harris County.

Application

7. On September 20, 2019, the applicants filed an application for sale, transfer, or merger of facilities and certificate rights in Liberty County. Specifically, East Houston seeks approval to acquire the Texas Commission on Environmental Quality (TCEQ)-registered public water system, identification number 1460061, and transfer water service area and CCN number 12042 currently held by Gum Island.
8. The applicants supplemented the application on October 8 and November 19, 2019, and February 3 and 18, 2020.
9. The requested service area subject to this transaction is located approximately eight miles southwest of downtown Dayton, Texas and is generally bounded on the north by a line approximately 1,000 feet north of County Road 4865, on the east by County Road 486, on the south by a line approximately 1,000 feet south of County Road 486, and on the west by a line approximately 3,000 feet west of County Road 48.
10. The total area affected by the transfer comprises approximately 86 acres and 28 current customers.
11. In Order No. 5 filed on March 13, 2020, the administrative law judge (ALJ) deemed the application administratively complete.

Notice

12. On April 1, 2020, the applicants filed a copy of the notice and map provided to current customers, neighboring utilities, and affected parties and a list of the customers and other entities who received notice.
13. On April 15, 2020, the applicants filed the affidavit of Stephen Krebs, owner of East Houston, attesting that notice was provided to current customers, neighboring utilities, and affected parties on March 26, 2020.
14. In Order No. 6 filed on April 28, 2020, the ALJ deemed the notice sufficient.

Evidentiary Record

15. On June 17, 2020, Commission Staff filed a motion to admit evidence on behalf of the parties.
16. In Order No. 7 filed on June 23, 2020, the ALJ admitted the following into evidence: (a) the application filed on September 20, 2019; (b) applicants' response to Order No. 1 filed on October 8, 2019; (c) applicants' supplemental information filed on November 19, 2019; (d) applicants' historical financial information filed on February 3, 2020; (e) applicants' additional financial information filed on February 18, 2020; (f) Commission Staff's third supplemental recommendation on administrative completeness and proposed notice and procedural schedule filed on March 10, 2020; (g) applicants' proof of notice filed on April 1 and 15, 2020; (h) applicant's response to Commission Staff's first request for information filed on April 6, 2020; (i) Commission Staff's recommendation on sufficiency of notice filed on April 24, 2020; and (j) Commission Staff's recommendation on approval of the transaction filed on May 27, 2020.
17. On December 4, 2020, Commission Staff filed a supplemental motion to admit evidence on behalf of the parties.
18. In Order No. 11 filed on _____, 2020, the ALJ admitted the following additional evidence: (a) applicants' proof that the transaction was consummated filed on September 16, 2020; (b) Commission Staff's recommendation on sufficiency of closing documents filed on October 1, 2020; (c) East Houston's consent form filed on November 2, 2020; (d) Gum Island's consent form filed on December 3, 2020; and (e) the map, certificate, and tariff attached to the supplemental motion to admit evidence filed on December 4, 2020.

Sale

19. In Order No. 8 filed on July 9, 2020, the ALJ approved the sale and transfer to proceed and required the applicants to file proof that the transaction had closed and customer deposits had been addressed.
20. On September 16, 2020, the applicants filed notice that the sale and transfer had been consummated and that customer deposits had been addressed.
21. In Order No. 10 filed on October 1, 2020, the ALJ found the closing documents sufficient.

System Compliance—Texas Water Code (TWC) § 13.301(e)(3)(A); 16 Texas Administrative Code (TAC) §§ 24.227(a), 24.239(j)(3)(A), (j)(5)(A)

22. Gum Island and East Houston have not been subject to any enforcement action by the Commission, TCEQ, the Texas Department of Health and Human Services Commission, the Office of Attorney General, or the United States Environmental Protection Agency.
23. Gum Island and East Houston do not have any violations listed in the TCEQ database.
24. Gum Island and East Houston demonstrated a compliance status that is adequate for approval of the transaction.

Adequacy of Existing Service—TWC § 13.246(c)(1), 16 TAC §§ 24.227(e)(1), 24.239(j)(5)(B)

25. East Houston is currently providing water service to 28 customers in the 86-acre requested area through public water system number 1460061, and such service has been continuous and adequate.

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

26. There is a need for service because East Houston is currently serving approximately 28 existing customers in the 86-acre requested area.
27. East Houston has received no new requests for service and is not requesting to add additional uncertificated area.
28. The application is to transfer only existing facilities, customers, and service area.

Effect of Approving the Transaction—TWC § 13.246(c)(3); 16 TAC §§ 24.227(e)(3), 24.239(j)(5)(D)

29. East Houston is already operating and maintaining the public water system; therefore, there will be no effect on any other retail public utility servicing the proximate area.
30. The 86-acre requested area is already certificated; therefore, there will be no effect on landowners.
31. Approving the transaction and granting the CCN amendment will allow East Houston to continue serving the approximately 28 customers and obligate East Houston to provide service to any future customers in the 86-acre area.

Ability to Serve: Managerial and Technical—TWC §§ 13.241(a), (c), 13.301(b), (e)(2); 16 TAC §§ 24.227(a), (e)(4), 24.239(j)(2), (j)(5)(E)

32. Public water system number 1460061, through which East Houston is currently providing service to approximately 28 customers in the 86-ares requested areca, has adequate capacity to meet the demands in the requested area.
33. East Houston owns and operates multiple public water systems registered with the TCEQ and does not have any violations listed in the TCEQ database.
34. East Houston employs a sufficient number of TCEQ-licensed operators who will operate the public water system.
35. East Houston has access to an adequate supply of water and is capable of providing drinking water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the TWC, and the TCEQ's rules.
36. East Houston has the managerial and technical capability to provide adequate and continuous service to the 86-acre requested area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility—TWC § 13.246(c)(5); 16 TAC §§ 24.227(e)(5), 24.239(j)(5)(F)

37. The 86-acre requested area is currently being served by East Houston through existing facilities.
38. Notice was provided to utilities within a two-mile radius, and no protests or requests to opt out were received regarding the proposed transaction.
39. It is not feasible for an adjacent utility to provide service to the 86-acre requested area.

Ability to Serve: Financial Ability and Stability—TWC §§ 13.241(a), 13.246(c)(6), 13.103(b); 16 TAC §§ 24.11(e), 24.227(a), (e)(6), 24.239(g), (j)(5)(G)

40. East Houston has pledged to cover any temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages for the first five years of operations after completion of the proposed sale and transfer, satisfying the operations test.
41. East Houston has a debt-to-equity ratio of less than one, satisfying the leverage test.
42. Through its affiliation with East Houston Utilities, Inc., East Houston dba Krebs Utilities has demonstrated the financial capability and stability to provide continuous and adequate service.

43. East Houston Utilities has pledged to cover any losses in the first five years following the sale and transfer.

Financial Assurance—TWC §§ 13.246(d), 13.301(c); 16 TAC §§ 24.227(f), 24.239(h)

44. There is no need to require East Houston to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on Land—TWC § 13.246(c)(7); 16 TAC §§ 24.227(e)(7) and (e)(9), 24.239(l)(5)(H)

45. There will be no effect on environmental integrity and on the land because the 86-acre requested area is already receiving service and additional construction is needed to continue providing service.

Improvement in Service or Lowering Cost to Consumers—TWC § 13.246(c)(8); 16 TAC §§ 24.227(e)(8), 24.239(j)(5)(I)

46. East Houston is already operating and maintaining the public water system; therefore, following the proposed transaction, customers in the 86-acre requested area will continue to receive the same level of water service that is currently being provided.

47. The rates charged to customers will not change as a result of the proposed transaction.

Regionalization or Consolidation—TWC § 13.241(d); 16 TAC § 24.227(b)

48. East Houston already serves approximately 28 customers in the 86-acre requested area and East Houston does not need to construct a physically separate water system to continue serving the area. Accordingly, concerns of regionalization or consolidation do not apply.

Map, Tariff, and Certificate

49. On November 2, 2020, Commission Staff emailed to the applicants the final proposed map, tariff and certificate related to this docket.

50. On November 2, 2020, East Houston filed a consent form concurring with the proposed final map, tariff, and certificate.

51. On December 3, 2020, Gum Island filed a consent form concurring with the proposed final map, tariff, and certificate.

52. On December 4, 2020, the final map, tariff, and certificate were filed as an attachment to the parties' supplemental to motion to admit evidence and proposed notice of approval.

Informal Disposition

53. More than 15 days have passed since the completion of notice provided in this docket.

54. No person filed a protest or motion to intervene.

55. Gum Island, East Houston, and Commission Staff are the only parties to this proceeding.

56. No party requested a hearing and no hearing is needed.

57. Commission Staff recommends approval of the application.

58. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.244, 13.246, 13.251, and 13.301.
2. Gum Island and East Houston are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Upon issuance of the Notice of Approval, Gum Island will no longer be a retail public utility as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
4. Public notice of the application was provided as required by TWC § 13.301(a) and 16 TAC § 24.239(a) through (c).
5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission Rules.
6. Gum Island and East Houston completed the sale within the time required by 16 TAC § 24.239(m).
7. The applicants complied with the requirements of 16 TAC § 24.239(k) with respect to customer deposits.

¹ Tex. Gov't Code ch. 2001.

8. After consideration of the factors in TWC § 13.246(c), East Houston has demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area. TWC § 13.301(b).
9. Gum Island and East Houston have demonstrated that the sale of Gum Island's public water system number 1460061, transfer of the water service area held under CCN number 12042, and transfer of CCN number 12042 to East Houston is necessary for the service, accommodation, convenience, and safety of the public. TWC § 13.301(d), (e).
10. East Houston must record a certified copy of the certificate granted and map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Liberty County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording. TWC § 13.257(r), (s).
11. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the application.
2. The Commission approves East Houston's purchase of Gum Island's public water system and the transfer of Gum Island's CCN number 12042 and the water service area held under that CCN to East Houston, to the extent provided in this Notice of Approval.
3. The Commission grants the attached certificate and approves the attached map and tariff.
4. East Houston must serve every customer and applicant for service within the approved area under water CCN number 12042 that requests service and meets the terms of East Houston's service, and such service must be continuous and adequate.
5. East Houston must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Liberty County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice of Approval.

6. Within ten days of the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariff approved by this Notice of Approval to central records to be marked *Approved* and filed in the Commission's tariff book.
7. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the _____ day of _____ 2020.

ADMINISTRATIVE LAW JUDGE

East Houston Utilities, Inc. dba Krebs Utilities
Water CCN No. 12042
PUC Docket No. 50038
Transferred all of Gum Island Utility, CCN No. 12042 in Liberty County



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

Water CCN

-  12042 - East Houston Utilities Inc
-  12388 - Woodland Hills Water LLC

0 250 500
Feet



Map by: Komal Patel
Date created: October 28, 2020
Project Path: n:\finalmapping\
50038EastHouston.mxd



Public Utility Commission of Texas

By These Presents Be It Known To All That

East Houston Utilities, Inc. dba Krebs Utilities

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, East Houston Utilities, Inc. dba Krebs Utilities is entitled to this

Certificate of Convenience and Necessity No. 12042

to provide continuous and adequate water utility service to that service area or those service areas in Liberty County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50038 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 East Houston Utilities, Inc. dba Krebs Utilities 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 _____ 20__.



**WATER UTILITY TARIFF
Docket Number 50038**

East Houston Utilities, Inc. dba Krebs Utilities
(Utility Name)

11015 Sheldon Rd, Ste 102
(Business Address)

Houston, TX 77044
(City, State, Zip Code)

281/456-0883
(Area Code/Telephone)

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

12042

This tariff is effective in the following county(ies):

Liberty

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

None

This tariff is effective in the following subdivisions or systems:

Whitewing Subdivision: PWS ID #1460061

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	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	3
SECTION 3.0 -- EXTENSION POLICY	4

APPENDIX A – DROUGHT CONTINGENCY PLAN

APPENDIX B – APPLICATION FOR SERVICE

NOTE: Appendix A – Drought Contingency Plan (DCP) is approved by the Texas Commission on Environmental Quality (TCEQ); however, the DCP is included as part of your approved tariff pursuant to PUCT rules. If you are establishing a tariff for the first time, please contact the TCEQ to complete and submit a DCP for approval.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes <u>3,000</u> gallons all meters)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$23.00</u>	<u>\$2.00</u> per 1,000 gallons over 3,000

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. 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.

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

Section 1.02 – Miscellaneous Fees

TAP FEE\$310.00
TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" METER PLUS UNIQUE COSTS AS PERMITTED BY PUCT RULE AT COST

RECONNECTION FEE
THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:
a) Non-payment of bill (Maximum \$25.00)\$25.00
b) Customer's request\$25.00
or other reasons listed under Section 2.0 of this tariff

LATE CHARGE (EITHER \$2.00 OR 5%)..... 5%
A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....\$15.00

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$0.00

METER TEST FEE (actual cost of testing the meter up to)\$25.00
THIS FEE 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.

SECTION 2.0 - SERVICE RULES AND REGULATIONS

The utility will have the most current Public Utility Commission of Texas (PUCT 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 2.1 - Application for Service

All applications for service will be made on the utility's standard application or contract form and 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 at each separate location.

Section 2.2 – Water Installation

After the applicant has met all requirements, conditions, and regulations herein set forth, the utility will then install a tap, meter, and cut-off valves and take all necessary actions to initiate service.

Section 2.3 – Billing

Water utility bills shall be rendered monthly unless otherwise authorized by the Commission, or unless service is terminated before the end of a billing cycle. Service initiated less than one week before the next billing cycle may be billed with the following month's bill. Bills should be rendered as promptly as possible following the reading of meters.

Bills are considered late if not received at the Utility's postal address within 16 days of the billing date. Service can be disconnected for nonpayment of a bill only after a 10 day written notice.

SECTION 3.0--EXTENSION POLICY

Section 3.1 - Standard Extension Requirements

Contributions in aid of construction shall not be required of individual residential customers for production, storage, treatment, or transmission facilities.

The utility will bear the cost of the first 200 feet of water main necessary to extend service to an individual residential customer. The utility shall bear the full cost of any oversizing of water mains to serve other residential customers in the area.

Section 3.2 – Specific Utility Extension Policy

- (1) Residential customers may be required to pay for additional main beyond the first 200 feet;
- (2) Residential customers who place unique or non-standard service demands on the system may be charged the actual costs of any additional transmission or storage required over and above the standard requirements;
- (3) Developers may be required to provide contributions in aid of construction in amounts to furnish the system with facilities compliant with Texas Commission on Environmental Quality (TCEQ) minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water.
- (4) Commercial customers may be required to pay the cost of the entire length of water main necessary to extend service to their point of use;
- (5) Commercial customers who place unique or non-standard service demands on the system may be charged the actual costs of any additional transmission or storage required over and above the standard requirements;
- (6) All extensions shall be negotiated with the utility on an individual basis, subject to the above extension policy rules, and taking into consideration additional demands on the system for water production, transmission, and storage.

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 -- APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)