



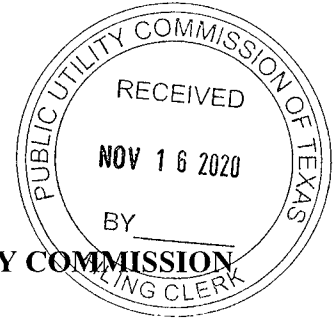
Control Number: 50059



Item Number: 50

Addendum StartPage: 0

DOCKET NO. 50059



**APPLICATION OF DOUBLE
DIAMOND UTILITIES COMPANY,
INC., DOUBLE DIAMOND
PROPERTIES CONSTRUCTION
COMPANY, AND MIDWAY WATER
UTILITIES, INC. FOR SALE,
TRANSFER, OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN HILL, PALO PINTO,
JOHNSON, AND GRAYSON
COUNTIES**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

NOTICE OF APPROVAL

This Notice of Approval addresses the September 27, 2019 application of Double Diamond Utilities Company, Inc., Double Diamond Properties Construction Company, and Midway Water Utilities, Inc. for approval of the sale, transfer, or merger of facilities and certificate rights in Hill, Palo Pinto, Johnson, and Grayson counties. Midway seeks to acquire water systems and certificate rights owned by Double Diamond Utilities, water certificate of convenience and necessity (CCN) number 12087, a sewer system and certificate rights owned by Double Diamond Utilities, sewer CCN number 20705, and a water system and certificate rights owned by Double Diamond Properties, water CCN number 13235. The applicants also seek to consolidate water CCN numbers 12087 and 13235 into water CCN number 12087 and to cancel CCN number 13235. The Commission approves the above transactions, consolidation, and cancellation.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Double Diamond Utilities Company is a Texas corporation registered with the Texas secretary of state under file number 142717100.
2. Double Diamond Utilities owns three public water systems registered with the Texas Commission on Environmental Quality (TCEQ) under identification numbers 1090073 (serving the White Bluff subdivision), 1260127 (serving the Retreat subdivision), and 1820061 (serving The Cliffs subdivision).

3. Double Diamond Utilities operates, maintains, and controls facilities that provide water and sewer service in Hill, Palo Pinto, Johnson, and Grayson counties under water CCN number 12087 and sewer CCN number 20705.
4. Double Diamond Properties is a Texas corporation registered with the Texas secretary of state under file number 142738600.
5. Double Diamond Properties owns one public water system registered with the TCEQ under identification number 0910147 (serving the Rock Creek subdivision).
6. Double Diamond Properties operates, maintains, and controls facilities that provide water service in Hill, Palo Pinto, Johnson, and Grayson counties under water CCN number 13235.
7. Midway is a domestic for-profit corporation registered with the Texas secretary of state under filing number 111387200.
8. Midway does not currently provide water service.

Application

9. On September 27, 2019, the applicants filed an application for approval to sell Double Diamond Utilities and Double Diamond Properties' water and sewer facilities and transfer of the corresponding portions of service areas held under water CCN numbers 12087 and 13235 and sewer CCN number 20705 to Midway, and the consolidation of water CCN numbers 12087 and 13235.
10. On November 8 and 18, 2019, the applicants supplemented the application.
11. The portion of the requested area that includes the White Bluff subdivision (identification number 1090073) is in Hill County, comprises approximately 3,276 acres, is located approximately 5.8 miles northwest of downtown Whitney, Texas, and is generally bounded on the north by County Road 1145, on the east by Farm to Market Road 933, on the south by Lake Whitney and Farm to Market Road 2604, and on the west by Lake Whitney.
12. The portion of the requested area that includes the Cliffs subdivision (identification number 1820061) is in Palo Pinto County, comprises approximately 1,241 acres, is located approximately eleven miles southwest of downtown Graford, Texas, and is generally bounded on the north by Possum Kingdom Lake, on the east by State Highway 16, on the

south by the intersection of State Highway 16 and Gaines Bend Drive, and on the west by Possum Kingdom Lake.

13. The portion of the requested area that includes the Retreat subdivision (identification number 1260127) is in Johnson County, comprises approximately 2,604 acres, is located approximately 6.5 miles southwest of downtown Rio Vista, Texas, and is generally bounded on the north by Farm to Market Road 1434, on the east by Ham Creek, on the south by County Road 1108, and on the west by Farm to Market Road 1434.
14. The portion of the requested area that includes the Rock Creek Resort subdivision (identification number 0910147) is in Grayson County, comprises approximately 1,415 acres, is located approximately 2.8 miles west of Gordonville, Texas, and is generally bounded on the north by Lake Texoma and Paw Creek Road, on the east by the intersection of Liberty Road and Pine Grove Road, and on the south and west by Farm to Market Road 901.
15. The total requested area comprises approximately 8,536 acres and 2,260 current customers.
16. In Order No. 4 filed on December 2, 2019, the ALJ found the application administratively complete.

Notice

17. On December 2, 2019, the applicants filed an affidavit attesting that notice was provided to all current customers of Double Diamond Utilities, Double Diamond Properties, neighboring utilities, and affected parties on November 26, 2019.
18. On January 8, 2020, the applicants filed publishers' affidavits reflecting that notice of the application was published on December 9 and 16, 2019 in *The Reporter Newspaper*, a newspaper of general circulation in Hill county, on December 7 and 11, 2019 in *The Graham Ledger*, a newspaper of general circulation in Palo Pinto county, on December 11 and 18, 2019 in *The Cleburne Times Review*, a newspaper of general circulation in Johnson county, and on December 13 and 20, 2020 in the *Whitesboro News Record*, a newspaper of general circulation in Grayson county.

19. On January 10, 2020, the applicants filed an affidavit attesting that notice was mailed that day to the Aquilla Hackberry Creek Conservation District, a potentially affected party whose address was previously unknown.
20. In Order No. 6 filed on January 24, 2020, the ALJ found notice sufficient.

Intervention

21. On February 10, 2020, the White Bluff Ratepayers Group filed a motion to intervene.
22. In Order No. 7 filed on March 13, 2020, the ALJ granted the motion to intervene.
23. In its motion to intervene, the White Bluff Ratepayers Group does not request a hearing, but requests that Midway be accountable for unpaid refunds and surcharges ordered by the Commission against Double Diamond Utilities and Double Diamond Properties.
24. Midway agrees to be bound by all Commission decisions issued prior to, and subsequent to, the closing of the transaction affecting Double Diamond Utilities and Double Diamond Properties, including those relating to rates in Docket No. 46245¹ and refunds and surcharges in Docket No. 48916.²
25. White Bluff Ratepayers Group consented to the proposed order approving the sale to proceed filed on April 13, 2020 and did not oppose the proposed notice of approval filed on October 23, 2020.

Evidentiary Record

26. On April 13, 2020, the parties filed an agreed motion to admit evidence.
27. In Order No. 8 filed on May 11, 2020, the ALJ admitted the following evidence into the record: (a) the application filed on September 27, 2019; (b) the applicants' errata and supplement to the application, including confidential attachments, filed on November 8, 2019; (c) the applicants' second errata to the application filed on November 18, 2019; (d) Commission Staff's recommendation on administrative completeness filed on November 20, 2019; (e) the applicants' proof of notice and supporting documentation filed

¹ *Application of Double Diamond Utility Company, Inc. for a Water and Sewer Rate/Tariff Change*, Docket No. 46245, Order on Rehearing (Dec. 12, 2019).

² *Compliance Filing of Double Diamond Utility Company, Inc. Related to Refunds and Surcharges in Docket No. 46245*, Docket No. 48916 (pending)

on December 2, 2019, and January 8 and 10, 2020; (f) Commission Staff's recommendation on sufficiency of notice filed on January 17, 2020; and (g) Commission Staff's final recommendation on approval of the sale filed on March 5, 2020.

28. On October 23, 2020, the parties filed an agreed motion to admit evidence.
29. In Order No. 14 filed on November 10, 2020, the ALJ admitted the following additional evidence into the record: (a) closing documents filed on July 2, 2020; (b) Commission Staff's recommendation on sufficiency of the closing documents filed on July 15, 2020; (c) Midway's consent form filed on September 2, 2020; (d) Double Diamond Utilities' consent form filed on October 13, 2020; (e) Double Diamond Properties Construction Company's consent form filed on October 13, 2020; and (f) the final maps, certificates, and tariffs attached to the agreed motion to admit evidence and proposed notice of approval filed on October 23, 2020.

Sale

30. In Order No. 9 filed on May 11, 2020, the ALJ approved the transaction to proceed and required the applicants to file proof that the transaction had closed and that customer deposits had been addressed.
31. On July 2, 2020, the applicants filed notice that the sale had closed and that there were no customer deposits held by Double Diamond as of the effective date of the transaction.
32. In Order No. 10 filed on July 29, 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(h)(3)(A), (h)(5)(I)

33. Double Diamond Utilities' public water system identification number 1090073 is not currently in compliance with the drinking water rules of the TCEQ. Upon completion of the acquisition, Midway intends to address all outstanding non-compliance issues.
34. Double Diamond Utilities' public water system identification numbers 1820061, 1260127, and Double Diamond Properties' public water system number 0910147 are reported to be in compliance with the drinking water rules of the TCEQ.
35. Midway does not have any violations listed in the TCEQ database.

36. Midway has not been subject to any unresolved enforcement action by the Commission, TCEQ, the Texas Health and Human Services Commission, the Office of Attorney General, or the United States Environmental Protection Agency.
37. Double Diamond Utilities, Double Diamond Properties, and Midway have demonstrated a compliance status that is adequate for approval of the proposed transaction.

Adequacy of Existing Service—TWC § 13.246(c)(1); 16 TAC §§ 24.227(e)(1), 24.239(h)(5)(A)

38. Double Diamond Utilities and Double Diamond Properties have been providing adequate service to the areas being transferred.

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

39. There are 2,260 customers in the requested area; therefore, there is a continuing need for service.
40. Midway has received no new requests for service and is not requesting to add additional uncertificated area.
41. This application is to transfer only existing facilities, customers, and service area.

Effect of Approving the Transaction and Granting the Amendment—TWC § 13.246(c)(3); 16 TAC §§ 24.227(e)(3), 24.239(h)(5)(C)

42. Double Diamond Utilities, Double Diamond Properties, and Midway are the only utilities affected by this sale and transfer.
43. The landowners in the requested area will experience an improved level in the quality of service.
44. Utilities within a two-mile radius of the requested area were notified; no protests or adverse comments were received from any other utility.

Ability to Serve: Financial Ability and Stability—TWC §§ 13.241(a), 13.246(c)(6), 13.301(b); 16 TAC §§ 24.11(e), 24.227(a), (e)(6), 24.239(e), (h)(5)(F)

45. Midway has a sufficient number of licensed water operators and the managerial and technical capability to provide adequate and continuous service to the requested water service area.

46. Sufficient capacity exists with Double Diamond Utilities and Double Diamond Properties' existing water facilities, which will be transferred to Midway; therefore, no additional construction is necessary to serve the requested area.
47. Midway 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.
48. Midway is capable of meeting the TCEQ's criteria for sewer treatment plants and the requirements of Chapter 13 of the TWC.
49. Midway has the managerial and technical ability to provide continuous and adequate service to the requested area.

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

50. The requested areas have existing facilities and are currently being served by Double Diamond Utilities and Double Diamond Properties.
51. It is not feasible for an adjacent utility to provide service to the requested area.

Ability to Serve: Financial Ability and Stability—TWC §§ 13.241(a), 13.246(c)(6), 13.301(b); 16 TAC §§ 24.11(e), 24.227(a), (e)(6), 24.239(e), (h)(5)(F)

52. Midway meets the leverage test with a debt to equity ratio of less than one.
53. Midway has demonstrated that it has sufficient cash available to cover any projected operation and maintenance shortages in the first five years of operations, thus meeting the operations test.
54. Midway has demonstrated the financial capability and stability to provide continuous and adequate water service.

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

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

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

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

Improvement in Service or Lowering Cost to Consumer—TWC § 13.246(c)(8); 16 TAC §§ 24.227(e)(8), 24.239(h)(5)(H)

57. Midway intends to improve both the water service and customer service with the transfer of the requested water service area.

58. All customers will be charged the same rates as they were charged before the transaction.

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

59. No new physically separate water or sewer system will be constructed as a result of the transaction; therefore, consideration of regionalization or consolidation is not applicable.

Maps, Certificates, and Tariffs

60. On September 1, 2020, Commission Staff e-mailed the proposed maps, certificates, and tariffs to the applicants.

61. On September 2, 2020, Midway filed a consent form concurring with the proposed final maps, certificates, and tariffs.

62. On October 13, 2020, Double Diamond Utilities and Double Diamond Properties filed consent forms concurring with the proposed final maps, certificates, and tariffs.

63. The final maps, certificates, and tariffs were filed as attachments to the joint motion to admit evidence and proposed Notice of Approval filed on October 23, 2020.

Informal Disposition

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

65. The party that filed a motion to intervene does not oppose the application.

66. Midway, Double Diamond Utilities, Double Diamond Properties, the White Bluff Ratepayers Group, and Commission Staff are the only parties to this proceeding.

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

68. Commission Staff recommend approval of the application.

69. The 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. Midway, Double Diamond Utilities and Double Diamond Properties are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. The applicants provided notice of the application that complies with TWC § 13.301(a)(2) and 16 TAC § 24.239(a)–(c).
4. The Commission processed the application as required by the TWC, the Administrative Procedure Act,³ and Commission Rules.
5. Midway, Double Diamond Utilities and Double Diamond Properties have complied with the requirements of 16 TAC § 24.239(k) with respect to customer deposits.
6. Midway, Double Diamond Utilities and Double Diamond Properties completed the sale within the time required by 16 TAC § 24.239(m).
7. After consideration of the factors in TWC § 13.246(c) and 16 TAC §§ 24.227(e) and 24.239(h)(5), Midway demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the 8,536-acre requested area, as required by TWC § 13.301(b) and 16 TAC § 24.239(e).
8. Midway meets the requirements of TWC §§ 13.241(b) and 13.301(b) to provide water utility service.
9. It is not necessary for Midway to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
10. The applicants have demonstrated that transferring TCEQ public water system numbers 1090073, 1820061, 1260127, and 0910147 and the corresponding water service area held under CCN numbers 12087 and 13235 and sewer service area held under CCN number

³ Tex. Gov't Code §§ 2001.001–.903.

20705 from Double Diamond to Midway, consolidation of CCN numbers 12087 and 13235, and the cancellation of CCN number 13235 will serve the public interest and are necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.301(d) and (e).

11. Midway must record a certified copy of each 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 Hill, Palo Pinto, Johnson, and Grayson counties within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording, as required by TWC § 13.257(r) and (s).
12. 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 sale and transfer of the requested area from Double Diamond Utility's and Double Diamond Properties' service areas under water CCN numbers 12087 and 13235 and sewer CCN number 20705 to Midway to be held under water CCN number 12087 and sewer CCN number 20705.
2. The Commission approves the cancellation of water CCN number 13235.
3. The Commission approves the certificates, tariffs, and maps attached to this Notice of Approval.
4. Midway must serve every customer and applicant for service within the approved area under water CCN number 12087 that requests water service and meets the terms of Midway's water service, and such service will be continuous and adequate.
5. Midway must serve every customer and applicant for service within the approved area under sewer CCN number 20705 that requests water service and meets the terms of Midway's sewer service, and such service will be continuous and adequate.

6. Midway must comply with the recording requirements in TWC § 13.257(r) for the areas in Hill, Palo Pinto, Johnson, and Grayson counties affected by the application and must submit to the Commission evidence of recording no later than 31 days after receipt of this Notice of Approval.
7. Midway must be bound by all Commission decisions affecting Double Diamond issued before and after the date of this Notice of Approval, including those relating to rates in Docket No. 46245 and refunds and surcharges in Docket No. 48916.
8. Within ten days of the date of this Notice of Approval, Commission Staff must provide a clean copy of the tariffs approved by this Notice of Approval to central records to be marked *Approved* and filed in the Commission's tariff books.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

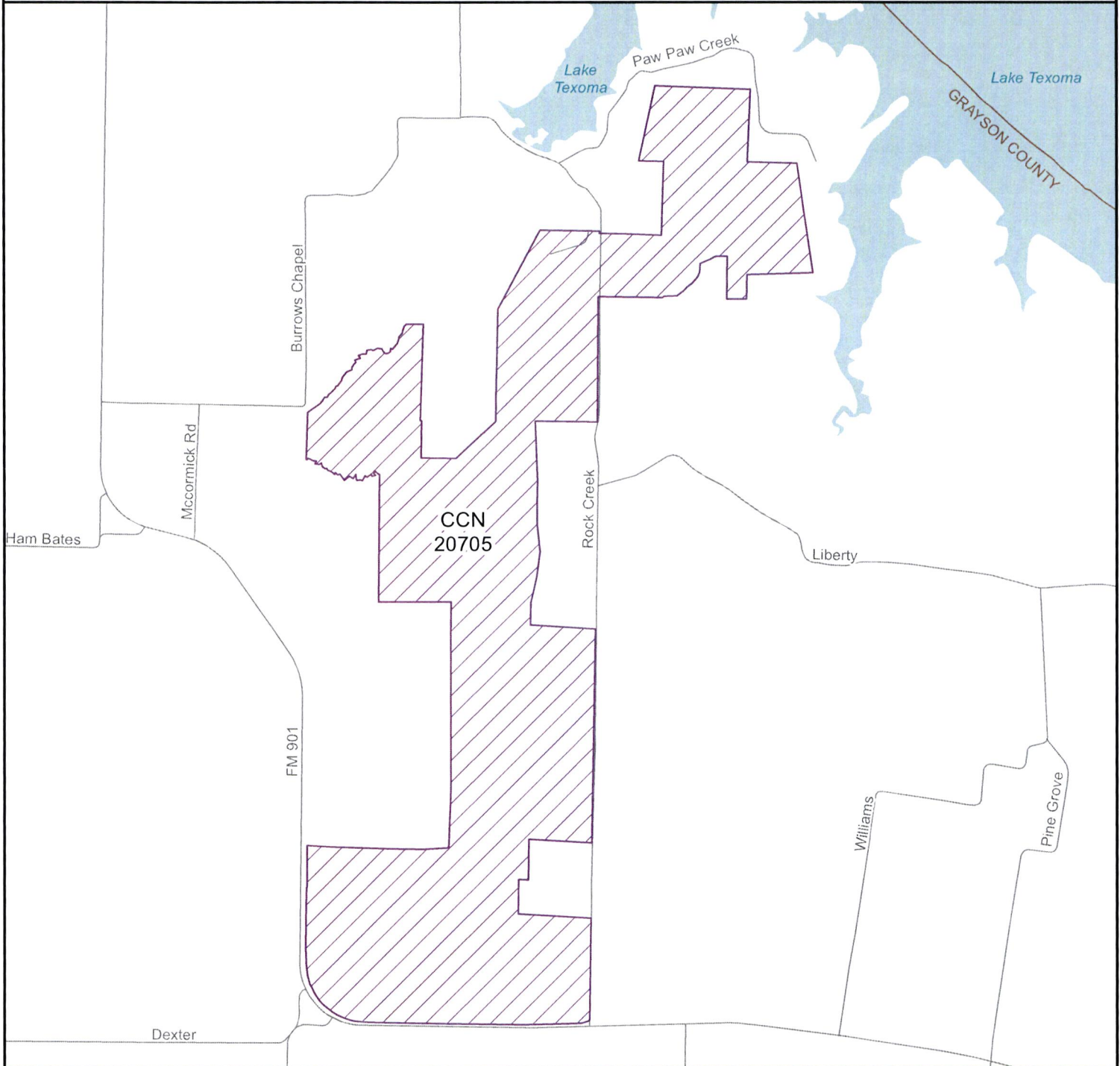
Signed at Austin, Texas the 16th day of November 2020.

PUBLIC UTILITY COMMISSION OF TEXAS



**STEVEN LEARY
ADMINISTRATIVE LAW JUDGE**

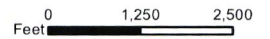
Midway Water Utilities, Inc.
Portion of Sewer CCN No. 20705
PUC Docket No. 50059
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Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Sewer CCN

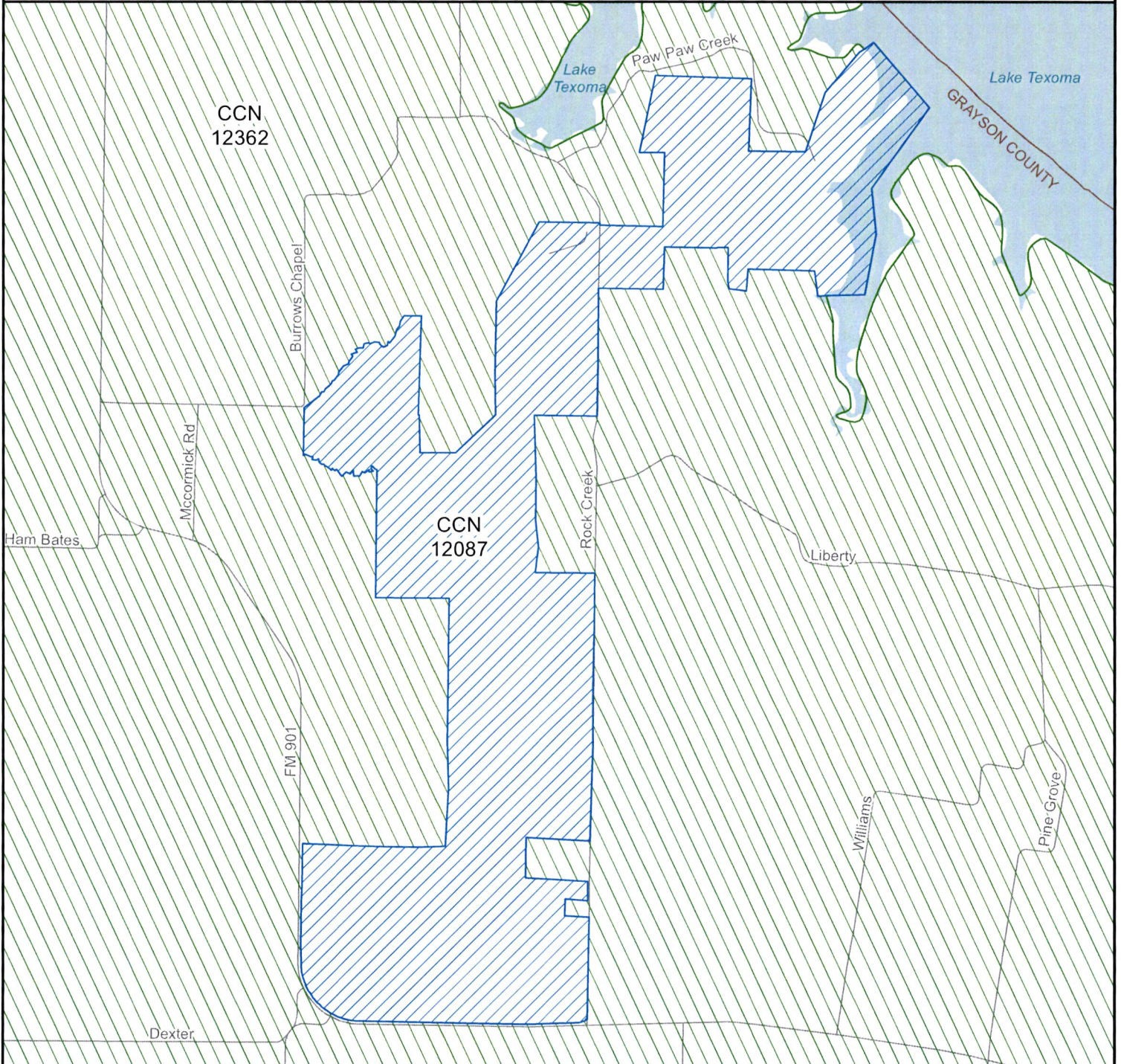
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Date created: August 6, 2020
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Midway Water Utilities, Inc.
Portion of Water CCN No. 12087
PUC Docket No. 50059

Transferred all of Double Diamond Properties Construction Company, CCN No. 13235 in Grayson County



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

Water CCN

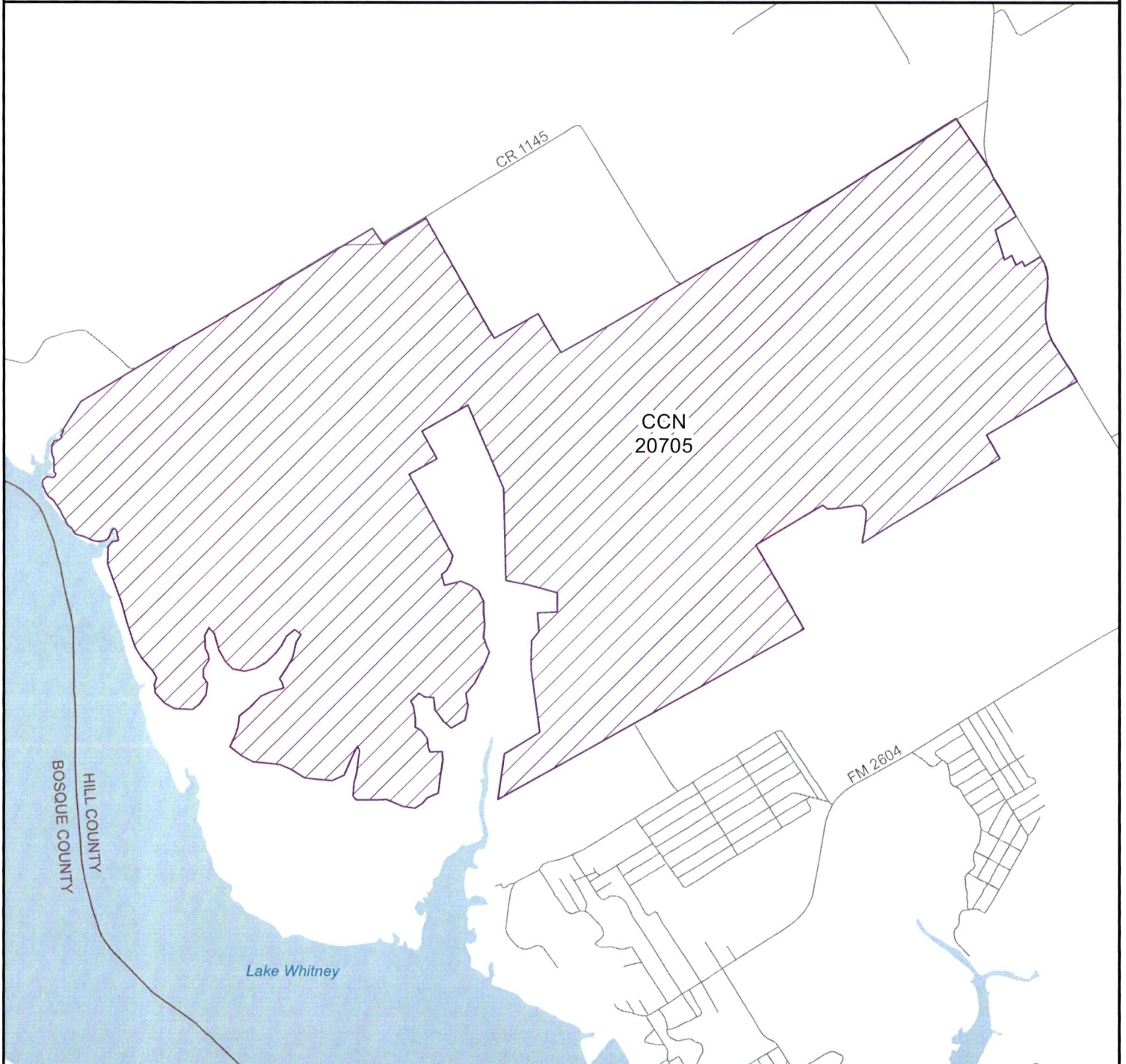
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-  12362 - Northwest Grayson County WCID 1

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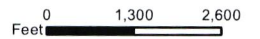
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Midway Water Utilities, Inc.
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PUC Docket No. 50059
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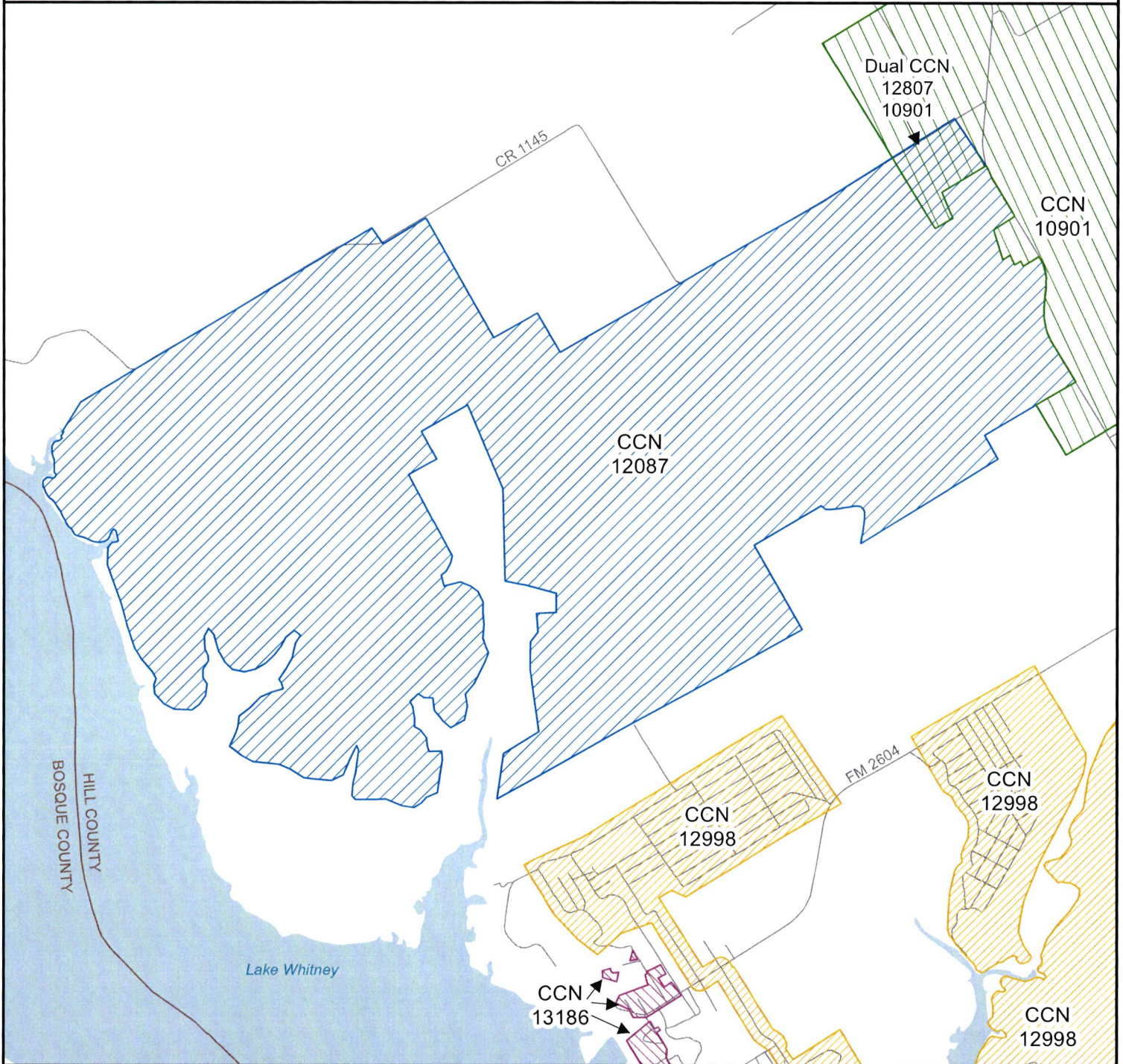


Sewer CCN

 20705 - Midway Water Utilities Inc



Midway Water Utilities, Inc.
 Portion of Water CCN No. 12087
 PUC Docket No. 50059
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Public Utility Commission of Texas
 1701 N. Congress Ave
 Austin, TX 78701

Water CCN

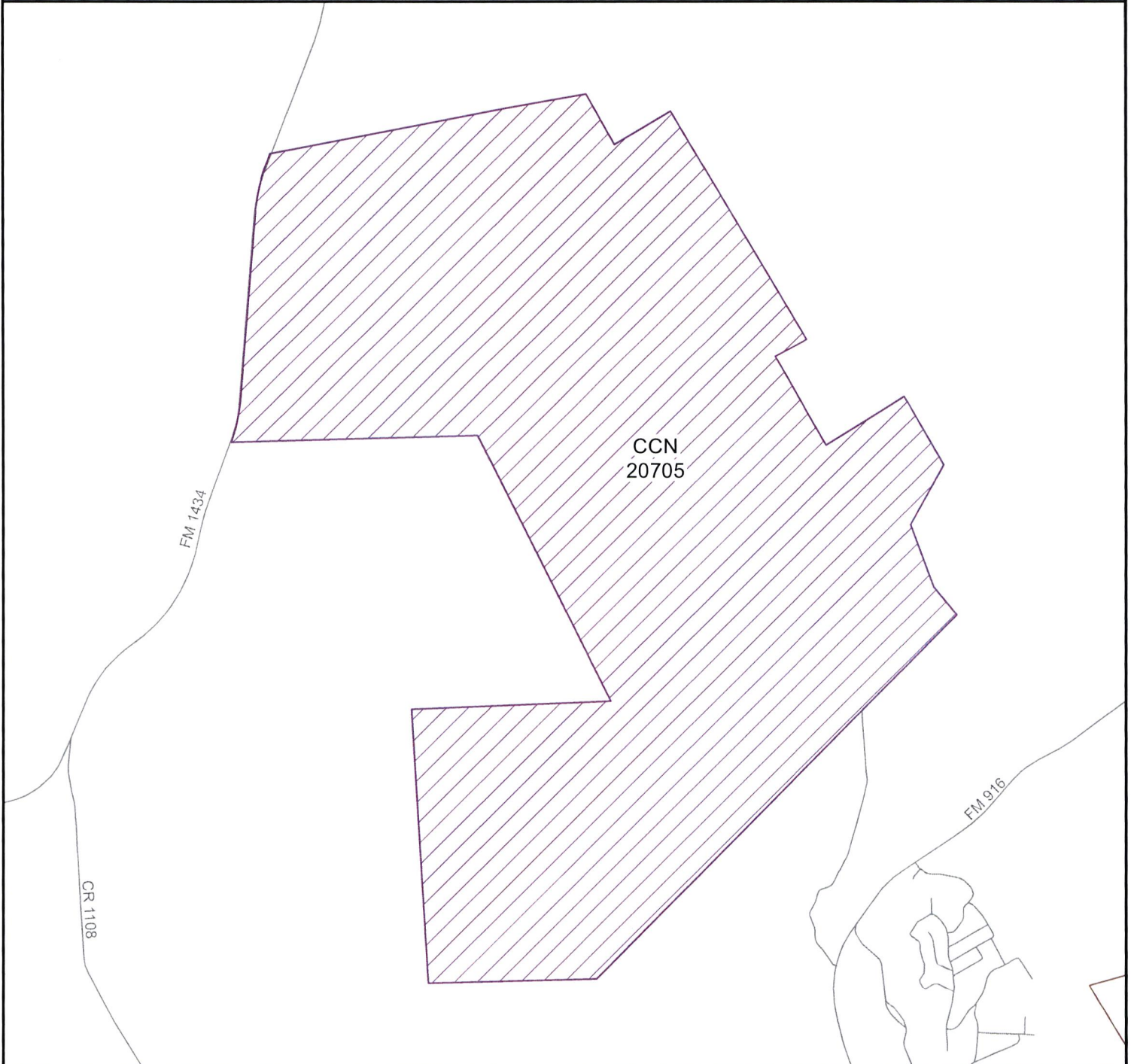
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-  10901 - Woodrow-Osceola WSC
-  12998 - Hilco United Services Inc
-  13186 - Beachview Acres Water Association

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Map by: Komal Patel
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Midway Water Utilities, Inc.
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PUC Docket No. 50059
Transferred all of Double Diamond Utilities Company, CCN No. 20705 in Johnson County



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

Sewer CCN

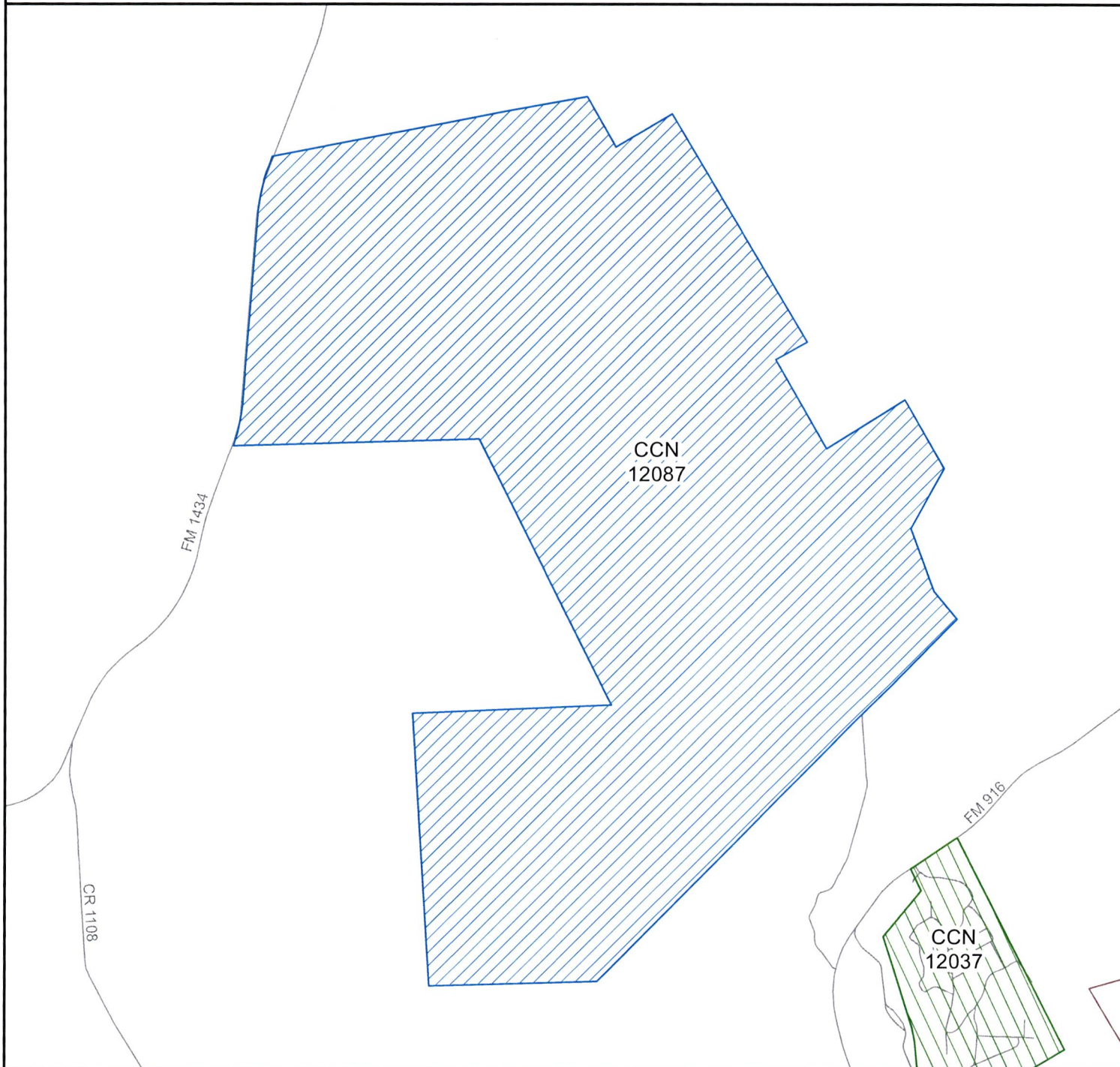
 20705 - Midway Water Utilities Inc

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Map by: Komal Patel
Date created: August 8, 2020
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Midway Water Utilities, Inc.
Portion of Water CCN No. 12087
PUC Docket No. 50059
Transferred all of Double Diamond Utilities Company, CCN No. 12087 in Johnson County



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

Water CCN

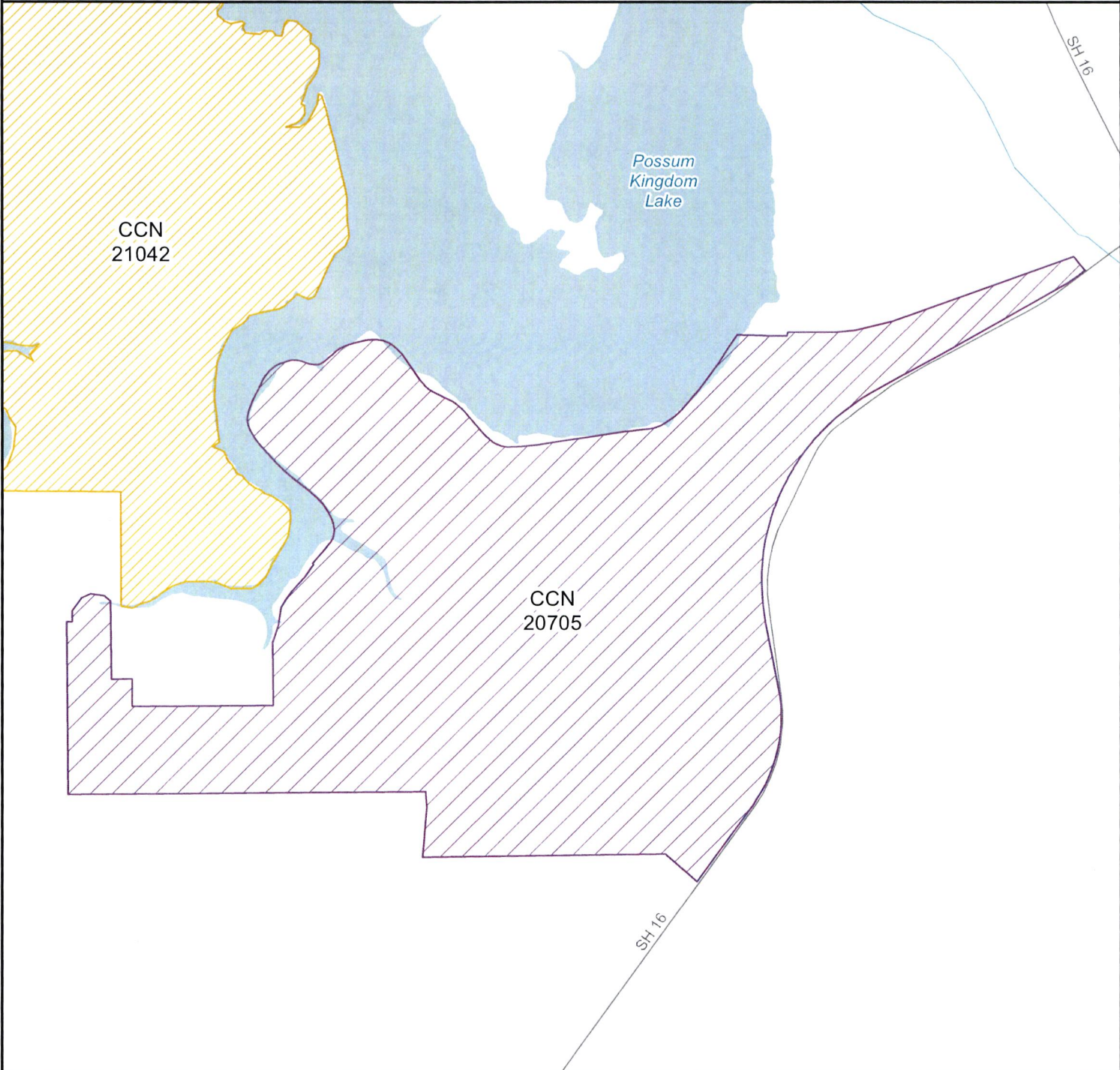
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-  12037 - James A Dyche

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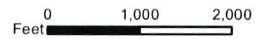
Midway Water Utilities, Inc.
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PUC Docket No. 50059
Transferred all of Double Diamond Utilities Company, CCN No. 20705 in Palo Pinto County



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

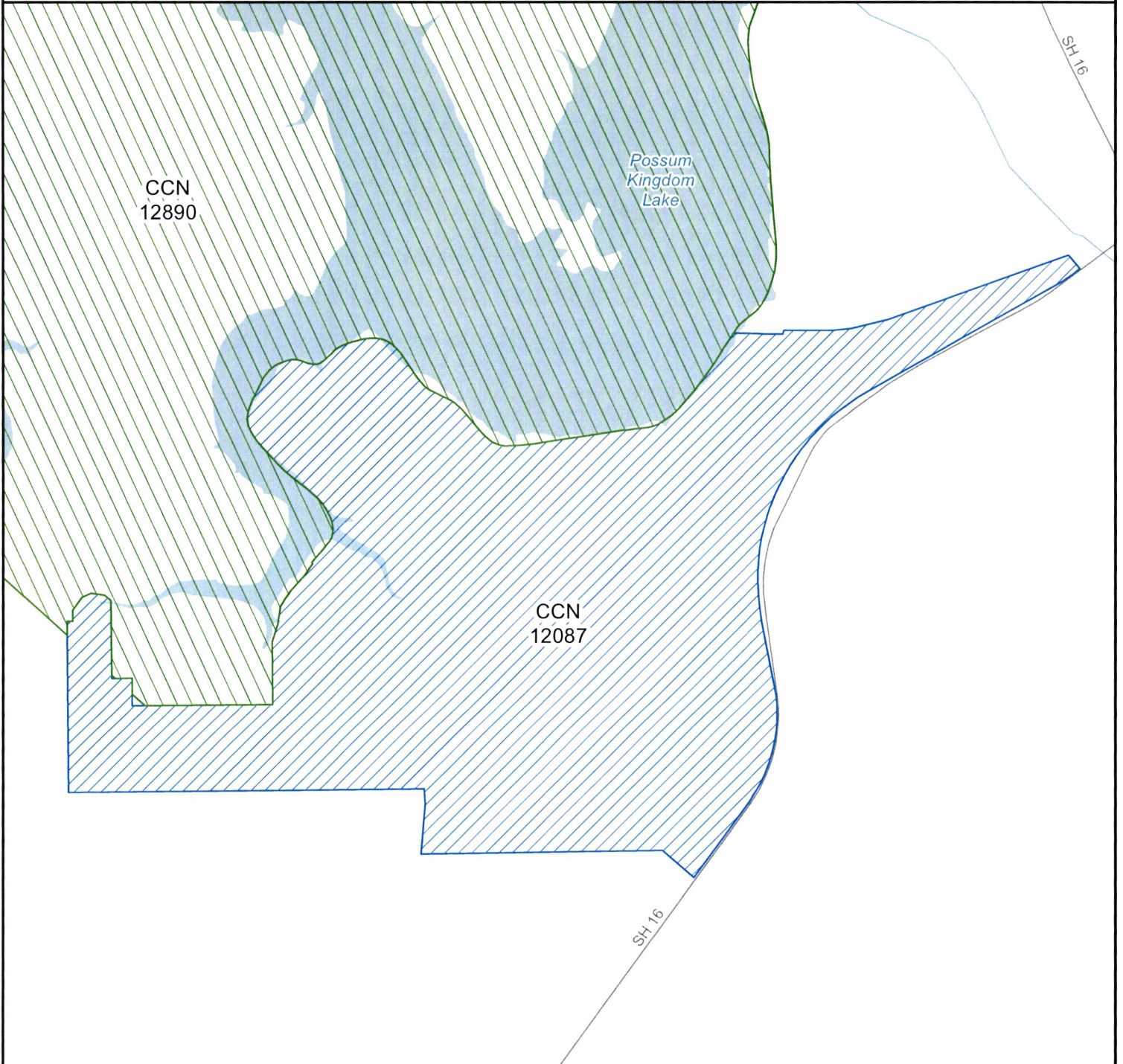
Sewer CCN

-  20705 - Midway Water Utilities Inc
-  21042 - Gaines Bend Utilities Inc





Map by: Komal Patel
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Midway Water Utilities, Inc.
Portion of Water CCN No. 12087
PUC Docket No. 50059
Transferred all of Double Diamond Utilities Company, CCN No. 12087 in Palo Pinto County



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

Water CCN

-  12087 - Midway Water Utilities Inc
-  12890 - Possum Kingdome WSC



Map by: Komal Patel
Date created: August 6, 2020
Project Path: n:\finalmapping\
50059MidwayWUPaloPintoWater.mxd



Public Utility Commission of Texas

**By These Presents Be It Known To All That
Midway Water Utilities, Inc.**

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, Midway Water Utilities, Inc. is entitled to this

Certificate of Convenience and Necessity No. 12087

to provide continuous and adequate water utility service to that service area or those service areas in Hill, Palo Pinto, Johnson and Grayson Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50059 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 Midway Water Utilities, Inc. 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 16th day of November 2020.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Midway Water Utilities, Inc.

having obtained certification to provide sewer 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, Midway Water Utilities, Inc. is entitled to this

Certificate of Convenience and Necessity No. 20705

to provide continuous and adequate sewer utility service to that service area or those service areas in Hill, Palo Pinto, Johnson and Grayson Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50059 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 Midway Water Utilities, Inc. 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 16th day of November 2020.



WATER UTILITY TARIFF
Docket Number: 50059

Midway Water Utilities, Inc.
(Utility Name)

12535 Reed Rd.,
(Business Address)

Sugar Land, TX 77478
(City, State, Zip Code)

(866)654-7992
(Area Code/Telephone)

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

12087

This tariff is effective in the following counties:

Hill, Palo Pinto, Johnson, and Grayson

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:

The Cliffs (PWS #1820061), The Retreat Water Supply (PWS #1260127), White Bluff (PWS #1090073) and Rock Creek Resort (PWS # 0910147)

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	6
SECTION 3.0 -- EXTENSION POLICY	13

APPENDIX A -- DROUGHT CONTINGENCY PLAN

APPENDIX B -- SAMPLE SERVICE AGREEMENT

APPENDIX C -- APPLICATION FOR SERVICE

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including no gallons

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge (Over Minimum)</u>
5/8" or 3/4"	<u>\$37.28</u>	<u>\$3.50</u> per 1,000 gallons for 0-3,000 gallons
1"	<u>\$93.19</u>	<u>\$4.00</u> per 1,000 gallons for 3,001-10,000 gallons
1½"	<u>\$186.38</u>	<u>\$6.50</u> per 1,000 gallons for 10,001-15,000 gallons
2"	<u>\$298.21</u>	<u>\$10.50</u> per 1,000 gallons for 15,001-20,000 gallons
		<u>\$10.50</u> per 1,000 gallons for 20,001 and over

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

Cash X, Check X, Money Order X, Credit Card X, 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.....\$675.00

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 (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) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$25.00

TRANSFER FEE\$25.00

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\$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....None

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

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

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including no gallons

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge (Over Minimum)</u>
5/8" or 3/4"	\$49.60	\$2.54 per 1,000 gallons 0-3,000 gallons
1"	\$124.01	\$3.50 per 1,000 gallons 3,001-10,000 gallons
1½"	\$248.02	\$4.83 per 1,000 gallons 10,001-15,000 gallons
2"	\$396.84	\$6.68 per 1,000 gallons 15,001-20,000 gallons
3"	\$744.07	\$9.22 per 1,000 gallons 20,001 and over gallons

Pass-Through Fee

Additional Gallonge Charge- Effective June 1, 2012:

\$0.20 / 1,000 gallons for the Prairielands Groundwater Conservation District Water Production Fee, for The Retreat and White Bluff customers only.

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

Cash X, Check X, Money Order X, Credit Card X, 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

Section 1.02 - Miscellaneous Fees

TAP FEE \$675.00
 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 (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) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected\$25.00

TRANSFER FEE\$25.00

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\$30.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....None

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

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.

Pass-through Provision:

Pursuant to PUC Substantive Rule §24.25(b)(2)(A)(viii)

“Minor Tariff Change to allow the addition of a production fee charged by a groundwater conservation district as a separate item calculated by multiplying the customer’s total consumption, including the number of gallons in the base bill, if any, by the actual production fee per thousand gallons”.

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Monthly base rate including no gallons

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge (Over Minimum)</u>
5/8" or 3/4"	\$17.19	\$1.52 per 1,000 gallons for 0-3,000 gallons
1"	\$42.98	\$2.13 per 1,000 gallons for 3,001-10,000 gallons
1½"	\$85.95	\$2.83 per 1,000 gallons for 10,001-15,000 gallons
2"	\$137.52	\$3.82 per 1,000 gallons for 15,001-20,000 gallons
		\$4.18 per 1,000 gallons for 20,001 and over

Additional Gallonge Charge - Effective June 1, 2012:
\$0.20 / 1,000 gallons for the Prairielands Groundwater Conservation District Water Production Fee, for The Retreat and White Bluff customers only.

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

Cash X, Check X, Money Order X, Credit Card X, 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.

Section 1.02 - Miscellaneous Fees

TAP FEE\$675.00
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 (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) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected\$25.00

TRANSFER FEE\$25.00

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\$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....None

COMMERCIAL & NON-RESIDENTIAL DEPOSIT1/6TH OF ESTIMATED ANNUAL BILL

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

Pass-through Provision:

Pursuant to PUC Substantive Rule §24.25(b)(2)(A)(viii)

“Minor Tariff Change to allow the addition of a production fee charged by a groundwater conservation district as a separate item calculated by multiplying the customer's total consumption, including the number of gallons in the base bill, if any, by the actual production fee per thousand gallons”.

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$30.00</u> (Includes 0 gallons)	\$3.63 per 1000 gallons, 1 st 2,000 gallons
1"	<u>\$75.00</u>	\$3.91 per 1000 gallons, 2,001- 10,000 gallons
1½"	<u>\$150.00</u>	\$4.91 per 1000 gallons thereafter
2"	<u>\$240.00</u>	
3"	<u>\$450.00</u>	

Northwest Grayson County WCID No. 1 Purchased Water Pass-Through

\$270.09 / number of meter equivalents at the beginning of the monthly billing cycle

Tariff Control No. 48523

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

Cash X, Check X, Money Order X, Credit Card X, 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 FEE TO THE TCEQ

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$675.00

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 FEEActual 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 \$25.00

TRANSFER FEE \$25.00

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 \$30.00

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

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

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

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

SECTION 1.0 - RATE SCHEDULE (Continued)

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 a separate tariff gallonage charge according to the following formula:

$$G = (R \times I) / (1 - L)$$
$$M = (E + A) / T$$

Where:

- G = Pass-through gallonage charge, rounded to the nearest one cent
- R = Rate (per 1,000 gallons) charged by Northwest Grayson County WCID No. 1
- I = Imputed water subject to the pass-through clause, expressed as the percentage of water expected to be purchased (in gallons) divided by total water to be produced from all sources
- L = Actual system average line loss for the preceding 12 months not to exceed 0.15
- M = Monthly base charge
- E = Established Northwest Grayson County WCID No. 1 monthly base charge
- A = Annual under recovery amount resulting from take or pay contract*
- T = Total number of accounts at the beginning of the monthly billing cycle

*Annual under recovery amount resulting from take or pay contract will only consider any water not taken by the utility but required to pay for in the take or pay contract. This amount will be divided by 12 months. This annual true-up will be required at March 1 of each year to be filed as a new application with the Commission.

SECTION 2.0 -- SERVICE RULES AND POLICIES

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 2.01 - 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, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - 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 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) 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.

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 customer who has paid 18 consecutive billings without being delinquent.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 16 TAC §24.163(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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 applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

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.

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

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environment Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in Section 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. 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.

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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 2.10 - Billing

(A) Regular 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.

(B) Late Fees

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.

(C) Information on Bill

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.

(D) 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 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

If a customer has two returned payments within a twelve-month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

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.

(B) Without Notice

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

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

Section 2.14 - 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)

Section 2.15 - 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 Commission, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.16 - 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 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.

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 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contributions in Aid of Construction may be required of any customer except as provided for in the approved extension policy.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

The applicant for service 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.

Section 3.02 - Costs Utilities and Service Applicants 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.

Residential customers 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.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

SECTION 3.0 -- EXTENSION POLICY (Continued)

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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.

Section 3.03 - Contributions in Aid of Construction

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 Texas Commission on Environment Quality minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Commission on Environment Quality 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.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.161(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first-class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

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)



SEWER UTILITY TARIFF
Docket Number: 50059

Midway Water Utilities, Inc.
(Utility Name)

12535 Reed Rd.
(Business Address)

Sugar Land, TX 77478
(City, State, Zip Code)

(866)654-7992
(Area Code/Telephone)

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

20705

This tariff is effective in the following counties:

Grayson, Hill, Palo Pinto, and Johnson

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:

- The Cliffs: WQ0002789-000
- The Retreat: WQ0014373-001
- Rock Creek: WQ0014783-001
- White Bluff: WQ0013786-002

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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SECTION 3.0 -- EXTENSION POLICY	11

- APPENDIX A -- SAMPLE SERVICE AGREEMENT
- APPENDIX B -- APPLICATION FOR SERVICE

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u> (3,000 gallons included)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$66.00</u>	<u>\$12.00</u> per 1,000 gallons
1"	<u>\$126.00</u>	
1½"	<u>\$216.00</u>	
2"	<u>\$324.00</u>	

Gallonge charges are determined based on average consumption for the winter months which are December, January, and February.

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

Cash X, Check X, Money Order X, Credit Card X, 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 FEE TO THE TCEQ

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$3,100.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF

TAP FEE (Large Connection Tap).....Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

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

SECTION 1.0 - RATE SCHEDULE (Continued)

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

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

RETURNED CHECK CHARGE\$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) None

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

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

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u> (3,000 gallons included)	<u>Gallonge Charge (Over Minimum)</u>
5/8" or 3/4"	<u>\$67.12</u>	<u>\$0.00</u> per 1,000 gallons for 0-3,000 gallons
1"	<u>\$167.80</u>	<u>\$11.19</u> per 1,000 gallons for 3,001-12,000 gallons
1½"	<u>\$335.59</u>	<u>\$0.00</u> per 1,000 gallons for 12,001+ gallons
2"	<u>\$536.95</u>	
3"	<u>\$1,006.78</u>	

Gallonge charges are determined based on average consumption for the winter months which are December, January, and February. The total billed sewer volume amount is capped at 12,000 gallons.

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

Cash X, Check X, Money Order X, Credit Card X, 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.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$675.00
 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 (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

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..... \$25.00

SECTION 1.0 - RATE SCHEDULE (Continued)

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

TRANSFER FEE \$25.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE
LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None

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

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.

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>
5/8" or 3/4"	<u>\$87.00</u>
1"	<u>\$217.50</u>
1½"	<u>\$435.00</u>
2"	<u>\$696.00</u>
3"	<u>\$1,035.00</u>

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

Cash X, Check X, Money Order X, Credit Card X, 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 FEE TO THE TCEQ

Section 1.02 - Miscellaneous Fees

TAP FEE \$3,100.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

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

SECTION 1.0 - RATE SCHEDULE (Continued)

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.

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.

RETURNED CHECK CHARGE\$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) None

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

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

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u> (3,000 gallons included)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$19.69</u>	<u>\$3.64</u> per 1,000 gallons
1"	<u>\$49.23</u>	
1½ "	<u>\$98.45</u>	
2"	<u>\$157.52</u>	

Gallonge charges are determined based on average consumption for the winter months which are December, January, and February.

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

Cash X, Check X, Money Order X, Credit Card X, 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 THE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$3,100
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap).....Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

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

SECTION 1.0 - RATE SCHEDULE (Continued)

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

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.

RETURNED CHECK CHARGE \$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) None

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

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.

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission (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 2.01 - Application for Sewer 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, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - 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 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) 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.

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 customer who has paid 18 consecutive billings without being delinquent.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged to cover unique costs not normally incurred as permitted by 16 TAC §24.163(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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 applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap and utility cut-off 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.

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

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

2.06 Access to Customer's Premises

All customers or service applicants shall provide access to utility cutoffs at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

Section 2.10 - Billing

(A) Regular 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.

(B) Late Fees

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.

(C) Information on Bill

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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(D) 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 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice

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.

(B) Without Notice

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

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.14 - 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 2.15 - Quality of Service

The utility will plan, furnish, and maintain and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the PUC Rules.

Section 2.16 - 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 2.17 - Customer Liability

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.

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

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 Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

The applicant for service 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 is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certificated service area boundaries by the PUC.

Section 3.02 - Costs Utilities and Service Applicants 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.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest collection 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 maybe 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.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for wastewater lines.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Exceptions may be granted by the PUC if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service; or
- larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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

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 Texas Commission on Environmental Quality (TCEQ) minimum design criteria for facilities used in the production, collection, transmission, pumping, or treatment of sewage 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.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.161(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- If service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.

For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant.

Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

SECTION 3.0 -- EXTENSION POLICY (Continued)

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

APPENDIX A -- SAMPLE SERVICE AGREEMENT
(Utility Must Attach Blank Copy)

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