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PUC DOCKET NO. 50721

**APPLICATION OF CRYSTAL CLEAR
WATER, INC. FOR AUTHORITY TO
CHANGE RATES**

**§
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§**

**PUBLIC UTILITY
COMMISSION OF TEXAS**

JOINT MOTION TO ADMIT ADDITIONAL EVIDENCE

Crystal Clear Water, Inc. (CCWI), the Staff of the Public Utility Commission of Texas (Commission Staff), Office of Public Utility Counsel (OPUC), and intervenors (Intervenors) (collectively, the Parties) jointly submit this request that additional evidence be admitted.

The Parties request that the following evidence be admitted:

- (a) Revised Unanimous Stipulation and Settlement Agreement (Revised Agreement), attached hereto as Exhibit 1;
- (b) the Revised Joint Proposed Final Order (Attachment A to the Revised Agreement), the agreed proposed tariff (Attachment B to the Revised Agreement), and the agreed list of assets (Attachment C to the Revised Agreement).

As evidenced by the Revised Agreement (Exhibit 1) and accompanying Joint Proposed Final Order (Attachment A to the Revised Agreement), there are no disputed issues, and no hearing is required in this proceeding. Therefore, the Parties request this docket be remanded to the Commission in order to allow the Commission to review and consider the Revised Unanimous Stipulation and Settlement Agreement as soon as possible.

Dated: March 7, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Rustin Tawater

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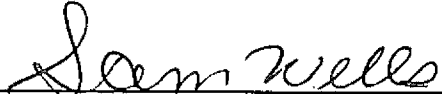
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WATER SYSTEM AND LAKELINE ACRES
WATER SYSTEM**

 3/7/2022
PAT CAULEY

**REPRESENTATIVE FOR THE
INTERVENORS OF THE WHISPERING
RIDGE WATER SYSTEM**



BRYAN BRONSTAD

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on March 7, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.



David J. Klein

EXHIBIT 1

Revised Unanimous Stipulation and Settlement Agreement

PUC DOCKET NO. 50721

**APPLICATION OF CRYSTAL CLEAR § PUBLIC UTILITY COMMISSION
WATER, INC. FOR AUTHORITY TO §
CHANGE RATES § OF TEXAS**

REVISED UNANIMOUS STIPULATION AND SETTLEMENT AGREEMENT

This Revised Unanimous Stipulation and Settlement Agreement (Revised Agreement) is entered into by the parties in this Docket, who are the Staff (Staff) of the Public Utility Commission of Texas (Commission), Office of Public Utility Counsel (OPUC), Crystal Clear Water, Inc. (CCWI), and the intervenors (Intervenors) through their duly authorized representatives (collectively, Signatories).

I. BACKGROUND

On April 8, 2020, CCWI filed its application to change rates for water service (Application). On December 30, 2020, the Commission referred the Application to the State Office of Administrative Hearings (SOAH).

On July 15, 2021, all parties to the proceeding reached a unanimous agreement on rates and the mediators reported to the presiding SOAH Administrative Law Judge (ALJ) that the parties had reached an agreement in principle. OPUC did not initially participate in this settlement discussion because it had not been given notice of the Application yet and was therefore not a party to this proceeding at that time.

On September 3, 2021, Staff, CCWI, and Intervenors filed a Joint Motion to Admit Evidence and Remand to the Public Utility Commission, including a Unanimous Stipulation and Settlement Agreement (the Original Agreement). The presiding SOAH ALJ then issued Order No. 5 admitting evidence and remanding the matter back to the Commission.

On November 12, 2021, the Commission's Office of Policy and Docket Management (OPDM) filed Commission Counsel's Memo raising, among other questions, the issue of whether notice was issued to OPUC. CCWI notified OPUC on November 23, 2021 and provided copies of documents relevant to the Original Settlement Agreement. On February 28, 2022, OPUC filed an Unopposed Motion to Intervene in this Docket. After discussions with OPUC, the Signatories agreed to revise Part II.1.f of the Original Agreement (i) to cap recoverable rate-case expenses at \$28,000 as of the date OPUC was notified and (ii) extend the rate case surcharge period to 15 months, as reflected in this Revised Agreement.

The Signatories¹ submit to the Commission that a resolution of this Docket pursuant to the terms stated below is reasonable and in the public interest. Settlement will also conserve the resources of the Signatories and will mitigate controversy amongst them. The Signatories jointly request Commission approval of this Agreement and the entry of an order, findings of fact, and conclusions of law consistent with the Agreement. By this Agreement, the Signatories resolve all issues among them related to CCWI's Application, and agree as follows:

II. STIPULATION AND AGREEMENT

1. Agreements as to Rate/Tariff Changes

a. **Single Tariff.** CCWI has demonstrated that the public water systems Lakeline Acres (TX0180025), Glenshores (TX0180030), Airport (TX0180032), and Whispering Ridge (TX0180081) are substantially similar systems. Therefore, henceforth the four public water systems will share a single tariff (Tariff), including for future rate change applications.

¹ OPUC participated in this proceeding in a limited capacity and is therefore unopposed to this Revised Agreement.

b. **Retail Water Utility Rates.** The Signatories agreed and acknowledged that CCWI is authorized to charge the rates suspended by the Commission ALJ in Order No. 8 as of August 23, 2021, which are higher than the settled upon rates memorialized in the Tariff attached hereto as Attachment B. However, in a show of good faith, CCWI agreed with Staff and Intervenors to file an Unopposed Motion for Interim Rates at the State Office of Administrative Hearings to charge the settled upon rates, contemplated herein, rather than the proposed rates. CCWI should be allowed to implement the retail water utility rates and other Tariff amendments as memorialized in the Tariff attached hereto as Attachment B to this Agreement. The effective date of such revised Tariff will be the date provided by the Commission when it issues the Final Order in this Docket approving the rates contained in the Tariff attached as Attachment B. The rates in the Tariff attached as Attachment B are just and reasonable and consistent with the public interest. The Signatories agreed as a result of settlement negotiations that it is not necessary for CCWI to implement a refund, credit, or surcharge to return or collect amounts recovered under the rates effective August 23, 2021.

c. **Revenue Requirement.** CCWI's reasonable and necessary annual revenue requirement is \$178,512.00.

d. **Rate Base.** CCWI's invested capital (Rate Base), as of December 31, 2019, of \$155,855 is reasonable and in the public interest. The Rate Base includes \$138,404 of net plant in service and \$17,451 of cash working capital. A listing of all assets included in plant in service as of the end of the test year is included herein as Attachment C.

e. **Other Tariff Provisions.** CCWI should be allowed to implement the other Tariff provisions included in Attachment B to this Agreement. Attachment B to this Agreement should be the governing water utility rates, terms, and conditions for CCWI's current and future ratepayer customers.

f. **Rate Case Expenses.** The Signatories agree that CCWI is entitled to recover \$28,000 in rate-case expenses up to November 23, 2021, from its customers. These rate-case expenses shall be recovered through a surcharge to CCWI ratepayers over a period of 15 months.

g. **Rate of Return.** The Signatories agree that CCWI's overall rate of return will be 6.34%.

2. **Loan.** The Signatories acknowledge that CCWI has a loan from Robert Payne with an outstanding balance of \$535,294.42 at the end of the test year.
3. **Proposed Order.** The Signatories jointly propose that the Commission issue the Final Order in the form attached as Attachment A. The Signatories submit the stipulated and agreed-upon Findings of Fact and Conclusions of Law included in the Joint Proposed Final Order in Attachment A for the Commission's adoption and inclusion in the Final Order in this case implementing the terms of this Agreement.

III. IMPLEMENTATION OF AGREEMENT

1. **Obligation to Support this Agreement.** The Signatories will support this Agreement before the Commission and will take reasonable steps to support expeditious entry of orders fully consistent with it. This provision shall not preclude any party in this Docket from taking action that is mandatory and nondiscretionary pursuant to a law enacted after the date this Agreement is filed at the Commission.

2. **Effect of Agreement.**

- a. The Agreement does not adopt any particular methodology underlying the settlement rates or rate design reflected in the Agreement.
- b. The non-litigation of any specific issue in this Docket, or address it in the Agreement, does not waive any Signatory's right to contest that issue in any other current or future proceeding. The non-litigation of an issue, or address it in the Agreement, cannot be asserted as a defense or estoppel, or any similar argument, by or against any Signatory in any other proceeding.
- c. The terms of this Agreement may not be used either as an admission or concession of any sort in any proceeding except to enforce the terms of this Agreement. Oral or written statements made during the course of the settlement negotiations may not be used for any purposes other than as necessary to support the entry by the Commission of an order implementing this Agreement. All oral or written statements made during the course of the settlement negotiations are governed by Tex. R. Evid. 408.
- d. The Signatories arrived at this Agreement through extensive negotiation and compromise.² This Agreement reflects a compromise, settlement, and accommodation among the Signatories, and the Signatories agree that the terms and conditions herein are interdependent. This Agreement is in the public interest. All actions by the Signatories contemplated or required by this Agreement are conditioned upon entry by the Commission of a final order fully consistent with this Agreement. If the

² OPUC participated in a limited capacity in the negotiation of the settlement agreement.

Commission does not accept this Agreement as presented or enters an order inconsistent with any term of this Agreement, any Signatory shall be released from all commitments and obligations, and shall have the right to seek hearing on all issues, present evidence, and advance any positions it desires, as if it had not been a Signatory.

- e. This Agreement is binding on each of the Signatories only for the purposes of settling the issues as set forth herein and the approval of the Tariff as provided in Attachment B, and for no other purposes. It is acknowledged that a Signatory's support of the matters contained in this Agreement may differ from the position taken or testimony presented by it in this proceeding or other proceedings. To the extent that there is a difference, a Signatory does not waive its position in any other proceedings. Because this is an agreed resolution, no Signatory is under any obligation to take the same positions as set out in this Agreement in other proceedings, whether those proceedings present the same or a different set of circumstances, except as may otherwise be explicitly provided in this Agreement.
- f. There are no third party beneficiaries of this Agreement. Although this Agreement represents a settlement among the Signatories with respect to the issues presented in this Docket, this Agreement is merely a settlement proposal submitted to the Commission, which has the authority to enter an order resolving these issues.

- g. This Agreement supersedes any prior written or oral agreement in this Docket regarding the subject matter of this Agreement, as well as any stipulation or agreement adopted by the Commission in any preceding docket regarding the rates of CCWI.
 - h. The final resolution of this Docket does not impose any conditions, obligations or limitations on CCWI's right to file a future rate application and obtain rate relief in accordance with the Texas Water Code.
- 3. **Effectiveness.** Except to the extent that the Agreement expressly governs a Signatory's rights and obligations for future periods, this Agreement shall not be binding or precedential upon a Signatory outside this Docket, and Signatories retain their rights to pursue relief to which they may be entitled in other proceedings.
- 4. **Execution.** This Agreement may be executed in multiple counterparts and filed with facsimile or computer image signatures.

Executed as shown below:

Dated this 7th day of March, 2022.

Respectfully submitted,

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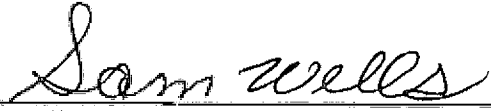
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**REPRESENTATIVE FOR THE
INTERVENORS OF THE AIRPORT WATER
SYSTEM**



Sam Wells

**REPRESENTATIVE FOR THE
INTERVENORS OF THE GLENSHORES
WATER SYSTEM AND LAKELINE ACRES
WATER SYSTEM**

 3/7/2022
Pat Cauley

**REPRESENTATIVE FOR THE
INTERVENORS OF THE WHISPERING
RIDGE WATER SYSTEM**



Bryan Bronstad

ATTACHMENT A

Joint Proposed Final Order

PUC DOCKET NO. 50721

APPLICATION OF CRYSTAL CLEAR	§	PUBLIC UTILITY COMMISSION
WATER, INC. FOR AUTHORITY TO	§	
CHANGE RATES	§	OF TEXAS

REVISED JOINT PROPOSED FINAL ORDER

This Joint Proposed Final Order addresses the application of Crystal Clear Water, Inc. (CCWI) for authority to change its tariff and rates for water service that is the subject matter of this Docket (Application). CCWI, Staff (Commission Staff) of the Public Utility Commission (Commission), Office of Public Utility Counsel (OPUC), and intervenors (Intervenors) (collectively, the Parties) filed a Revised Unanimous Stipulation and Settlement Agreement that resolves all of the issues among the parties to this proceeding. The Commission approves CCWI's Application to change its water rates and associated tariff, as modified by the Revised Unanimous Stipulation and Settlement Agreement and to the extent provided in this Order.

I. DISCUSSION

On March 7, 2022 the Parties filed a Joint Motion to Admit Additional Evidence and Remand (Joint Motion) to the Commission, which also included (i) the Revised Unanimous Stipulation and Settlement Agreement (Revised Agreement) (which is Exhibit 1 to the Joint Motion), (iii) this Revised Joint Proposed Final Order (which is Attachment A to the Revised Agreement), (iv) the agreed proposed tariff (Tariff) (which is Attachment B to the Revised Agreement), and (v) an agreed list of assets (which is Attachment C to the Revised Agreement).

II. FINDINGS OF FACT

The Commission makes the following findings of fact.

Applicant

1. CCWI is a Texas for-profit corporation registered with the Texas secretary of state under filing number 152991400.
2. CCWI does not have any affiliates.
3. CCWI owns for compensation facilities and equipment for the transmission, storage, distribution, sale, or provision of potable water to the public in Texas in Bosque County.
4. As of December 31, 2019, CCWI served a total of 230 active water connections under water CCN number 12997.
5. The following are the public drinking water systems and counties in which CCWI serves:

PWS #	Subdivision/Facility Name	County
TX0180025	Lakeline Acres	Bosque
TX0180030	Glenshores	Bosque
TX0180032	Airport	Bosque
TX0180081	Whispering Ridge	Bosque

Application

6. On April 8, 2020, CCWI filed its Application to change its water rates and associated Tariff under Texas Water Code (TWC) § 13.1872.
7. The Application was based on a test year ending December 31, 2019, adjusted for known and measurable changes.
8. In the Application, CCWI requested a revenue requirement of \$175,506 and a rate of return of 15.00% with a proposed effective date of July 1, 2020.
9. On April 23, 2020, CCWI filed additional information to supplement its Application.
10. In Order No. 4 issued June 4, 2020, the Commission Administrative Law Judge (ALJ) found CCWI's rate Application administratively incomplete, established an opportunity to cure the deficiency, and suspended the effective date.
11. On August 19, 2020, CCWI filed a revised Application.

12. In the revised Application, CCWI requested a revenue requirement of \$281,162 and a rate of return of 15.00% with a proposed effective date of December 1, 2020.
13. In Order No. 8, the Commission ALJ found CCWI's revised Application administratively complete and suspended the effective date of the rate change for 265 days from the proposed effective date of December 1, 2020 to August 23, 2021.

Interventions and Protests

14. More than 10% of the ratepayers affected by the proposed rate increase filed protests in this Docket.
15. In Order No. 2 issued May 18, 2020, the Commission ALJ acknowledged ratepayers Kim and Arlettia Sharp, Harold Winnett, Justin Witte, Wayne Barnett, Pete Lohmer, Joy Lohmer, Roy Ince, Jr., Glenn Sommons, Thomas Murdoch, Walter Lane, Karla Lowder, Leonard and Janice McCain, Jeff and Krist Hall, Jasper Fuqua, John Graham, Donald Benda, Billy and Barbara Arnold, Emilie Shipman, Bryan Bronstad, Dale Hulme, Carl Montgomery, Judy Bingaman, James Nawara, Petra Rodriguez, Lance Alsobrook, Tony Hardin, Gerald Longacre, Troy and Jana Spies, Ben Johnson, Stephen Philipp, Dwayne Jackson, Dennis Poe, and James Greenwade as intervenors in this Docket.
16. In Order No. 5 issued on June 8, 2020, the Commission ALJ acknowledged ratepayers Bill Reitmeyer, Nicholas P. Kuhn, Jr., George Saxon, Kelly Anderson, and Britton Warren as intervenors in this Docket.
17. In Order No. 6 issued on July 1, 2020, the Commission ALJ acknowledged ratepayer Kelly Anderson as an intervenor in this Docket.
18. In Order No. 9 issued September 17, 2020, the Commission ALJ acknowledged ratepayers Gary Fossett, Patrick and Renee Couley, Glenn Sammons, Leonard and Janice McCain, Joe and Linda Howard, Nicholas P Kuhn, Jr., Carl Montgomery, Sam Wells, Kristi and Jeffrey Hall, and Troy and Janna Spies as intervenors in this Docket.
19. In Order No. 10 issued October 26, 2020, the Commission ALJ acknowledged ratepayers Kirk and Mary Sims as intervenors in this Docket.

Referral to SOAH for Hearing

20. On December 30, 2020, the Commission referred the Application to the State Office of Administrative Hearings (SOAH) for a contested case hearing.
21. In SOAH Order No. 1 issued January 8, 2021, the SOAH ALJ set a prehearing conference for February 9, 2021 and acknowledged ratepayers Juanita Cosper, Darrell Winnett, Jimmy and Kristi McElyea, Annelle Wells, and Melissa Boyette as intervenors in this Docket.
22. On January 29, 2021, the Commission issued a preliminary order.
23. In SOAH Order No. 2 issued February 23, 2021, the SOAH ALJ memorialized the prehearing conference held on February 9, 2021, acknowledged ratepayers Marion Marshall, Tom Marshall, Linda Johnson, Connie Blenden, and Leslie and Todd Marshall as intervenors, abated the proceeding, and referred the proceeding to mediation.
24. On September 3, 2021, CCWI, Commission Staff, and Intervenors filed their Joint Motion to Admit Evidence and Remand to the Commission that included the Unanimous Stipulation and Settlement Agreement, the agreed proposed Tariff, a Joint Proposed Final Order, and agreed list of assets (First Joint Motion).
25. In SOAH Order No. 5 issued September 7, 2021, the SOAH ALJ dismissed the case from SOAH's docket and remanded it to the Commission.

Evidentiary Record

26. In SOAH Order No. 5 issued September 7, 2021, the SOAH ALJs admitted the following evidence into the record:

- (a) the Application of Crystal Clear Water, Inc. for Authority to Change Rates, filed on April 8, 2020;
 - (b) Additional Information filed by CCWI on April 23, 2020;
 - (c) CCWI's Revised Water Rate Increase with Attachments filed on August 19, 2020;
 - (d) CCWI's Response to Commission Staff's First Request for Information, filed on April 15, 2021;
 - (e) CCWI's Response to Commission Staff's Second Request for Information, filed on April 26, 2021;
 - (f) CCWI's First Supplement to Response to Commission Staff's Second Request for Information, filed on May 12, 2021;
 - (g) CCWI's Response to Commission Staff's Third Request for Information, filed on May 12, 2021;
 - (h) Agreements appointing Intervenors' representatives, attached to the First Joint Motion as Exhibit 1;
 - (i) Unanimous Stipulation and Settlement Agreement, attached to the First Joint Motion as Exhibit 2 (Original Agreement);
 - (i) the agreed Joint Proposed Final Order (Attachment A to the Original Agreement), the agreed proposed Tariff (Attachment B to the Original Agreement), and the agreed list of assets (Attachment C to the Original Agreement); and
 - (k) the affidavit of Anna Givens in support of the agreement, filed on September 3, 2021.
27. On October 12, 2021, Commission Counsel filed a memorandum requesting an affidavit of a licensed attorney supporting the reasonableness of the rate-case expenses.
 28. On November 12, 2021, CCWI filed a Response to the October 21, 2021 Commission Counsel Memorandum and Motion to Admit Evidence to admit the affidavit of David Klein in support of the rate-case expenses.
 29. On November 12, 2021, Commission Counsel filed a memorandum requesting responses regarding CCWI's consolidation of multiple systems, notice to OPUC, and affiliates.
 30. In Order No. 11, issued November 15, 2021, the Commission ALJ admitted the affidavit of David Klein into the record.

31. On March 7 , 2022 the parties filed a Response to the November 12, 2021 Commission Counsel Memorandum and Motion to Admit Evidence to admit CCWI's facility information and the affidavit of Robert Payne.
32. In Order No. _____ issued _____, 2022, the Commission ALJ admitted the following evidence into the record:
- (a) Revised Unanimous Stipulation and Settlement Agreement (Revised Agreement), attached to the Joint Motion as Exhibit 1;
 - (b) the agreed Revised Proposed Final Order (Attachment A to the Revised Agreement), the agreed proposed Tariff (Attachment B to the Revised Agreement), and the agreed list of assets (Attachment C to the Revised Agreement);

Intervention by OPUC

33. CCWI notified OPUC of its Application and the Original Agreement on November 23, 2021.
34. OPUC filed its Unopposed Motion to Intervene on February 28, 2022.
35. On March 7, 2022, CCWI, Commission Staff, OPUC, and Intervenors filed a Joint Motion to Admit Evidence that included the Revised Unanimous and Stipulation and Settlement Agreement,

Agreement

36. CCWI, Commission Staff, OPUC (on limited issues), and the Intervenors engaged in settlement negotiations and entered into a Revised Unanimous Stipulation and Settlement Agreement, memorializing an agreed schedule of retail water-utility rates and other Tariff amendments, as set forth in the Tariff included as Attachment B to the Revised Agreement.
37. CCWI's total annual revenue requirement is \$178,512.00.
38. It was reasonable and in the public interest to approve total invested capital as of December 31, 2019, in the amount of \$155,855, which includes \$138,404 of net plant in service and \$17,451 of cash working capital. Attachment C to the Agreement identifies all of CCWI's net plant in service as of December 31, 2019.

39. The rate of return of 6.34% will not yield CCWI more than a fair return on the invested capital used and useful in rendering service.
40. It is appropriate not to specify a return on equity in this proceeding.
41. The signatories agree that CCWI should be allowed to implement the retail water rates located in the Tariff attached to the Agreement as Attachment B.
42. CCWI may implement the other Tariff provisions included in the agreed proposed Tariff in Attachment B to the Agreement.
43. The proposed Tariff that is attached to the Agreement as Attachment B governs the water utility rates, terms, treatments, and conditions for the water systems and service area specified in the Tariff.
44. The rates, terms, and conditions of the Tariff resulting from the Agreement are just and reasonable.

Rate-Case Expenses

45. CCWI is entitled to recover \$28,000.00 in rate-case expenses up to November 23, 2021. These rate-case expenses shall be recovered through a surcharge to ratepayers over a period of 15 months.
46. CCWI may not seek to recover any additional rate-case expenses incurred in connection with this Application in a future proceeding.
47. The Agreement's treatment of rate-case expenses is appropriate, and the agreed rate-case expense surcharges are reasonable and necessary.

Effective Date

48. In the revised Application, CCWI requested approval of the proposed rate and Tariff changes contained in its Application to be effective no sooner than December 1, 2020.
49. In Order No. 8, the Commission ALJ suspended the effective date of the rate change for 265 days from the proposed effective date of December 1, 2020 until August 23, 2021.
50. On August 27, 2021, the parties filed a motion for interim rates that would allow CCWI to begin charging the agreed-upon settlement rates beginning on August 23, 2021.

51. On August 30, 2021, the SOAH ALJ issued SOAH Order No. 4 adopting interim rates as set out in the Tariff.

Informal Disposition

52. More than 15 days have passed since the completion of notice provided in this Docket.
53. No hearing is required in this case.
54. The decision is not adverse to any party.

III. CONCLUSIONS OF LAW

The Commission makes the following conclusions of law.

1. CCWI is a public utility as defined in TWC § 13.002(23) and 16 Texas Administrative Code (TAC) § 24.3(51) and (76).
2. CCWI is a class D utility under TWC § 13.002(4-d) and 16 TAC § 24.3(8) because it has less than 500 active water connections.
3. The Commission has jurisdiction to consider CCWI's application for a rate increase and related Tariff amendments, and to conduct both formal and informal ratemaking hearings in accordance with TWC §§ 13.041, 13.181, and 13.1872, using the procedures in subchapter B of 16 TAC Chapter 24.
4. The Commission processed this Docket in accordance with the requirements of the TWC, the Administrative Procedure Act,¹ and Commission rules.
5. CCWI did not initially comply with the requirement to provide notice to OPUC. This deficiency was cured and an exception was made for good cause under 16 TAC § 22.5(b) so that CCWI has now complied with the requirement to provide notice of the rate application as required by TWC § 13.1871(b) and 16 TAC § 24.27(d).
6. The rates approved in this proceeding are just and reasonable under TWC § 13.182(a).
7. As required by TWC § 13.182(b), the rates approved in this proceeding are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each class of customers.

¹ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001–.902 (APA).

8. Under TWC § 13.183(a), the Commission is required to establish a revenue requirement in setting rates.
9. CCWI's overall revenues will permit it a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public over and above its reasonable and necessary operating expenses and will preserve CCWI's financial integrity.
10. It is not necessary for CCWI to implement a refund, credit, or surcharge to return or collect amounts recovered under the rates effective August 23, 2021 under 16 TAC § 24.37.
11. The rate-case expenses approved in this Order are just, reasonable, necessary, and in the public interest as required under 16 TAC § 24.44(a).
12. Permission for a utility to record a cost in its books is not permission to recover those costs through its rates.
13. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

IV. ORDERING PARAGRAPHS

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

1. The Commission approves the water rates shown in the Tariff attached to the Revised Agreement as Attachment B, and other the provisions of such Tariff, effective on the date this Order is signed.
2. CCWI must comply with its commitments set forth in the Revised Agreement, except as modified by this Order.
3. The Commission authorizes CCWI to collect rate-case expenses of \$28,000.00 via a monthly surcharge to the customers over a 15-month period.
4. CCWI must not seek to recover any additional rate-case expenses incurred in connection with this Docket in a future proceeding.
5. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the Agreement and must not be regarded as

precedential as to the appropriateness of any principle or methodology underlying the agreement.

6. Within 10 days of the date of this Order, Commission Staff must file a clean copy of CCWI's Tariff with Central Records to be marked *Approved* and kept in the Commission's tariff book.
7. All other motions and any other requests for general or specific relief that have not been expressly granted are denied.

Signed at Austin, Texas the _____ day of _____ 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

CHAIRMAN PETER LAKE

COMMISSIONER WILL MCADAMS

COMMISSIONER LORI COBOS

COMMISSIONER JIMMY GLOTFELTY

ATTACHMENT B

Proposed Tariff



WATER UTILITY TARIFF

Docket Number: 50721

(this number will be assigned by the Public Utility Commission after your tariff is filed)

Crystal Clear Water, Inc.
(Utility Name)

122 S Avenue D
(Business Address)

Clifton, TX 76634
(City, State, Zip Code)

254-675-3551
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity: 12997

This tariff is effective in the following counties:
Bosque

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

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

Lakeline Acres (TX0180025); Glenshores (TX0180030); Airport (TX0180032); and Whispering Ridge (TX0180081)

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 1.0-RATE SCHEDULE	2
SECTION 2.0- SERVICE RULES AND POLICIES	4
SECTION 3.0- EXTENSION POLICY	12
APPENDIX A - DROUGHT CONTINGENCY PLAN	17
APPENDIX B- APPLICATION FOR SERVICE	18

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

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	\$ 38.56 (Includes 0 gallons)	3.74 per 1000 gallons, 1 st 5,000 gallons
1"	\$ 96.40	5.61 per 1000 gallons, next 5,000 gallons
1½ "	\$ 192.80	6.95 per 1000 gallons thereafter

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash X Check X Money Order X Credit Card Other (specify)
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT
 PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE
 GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT

1.0%

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

Section 1.02 - Miscellaneous Fee

TAP FEE (Standard)

\$ 1,500.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A
 STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER THE UTILITY'S
 UNIQUE COSTS IS PERMITTED.

TAP FEE (Unique Costs)

Actual Cost

UNIQUE COSTS ARE ADDITIONAL COSTS THAT ARE NECESSARY FOR THE UTILITY TO EXTEND
 ITS WATER SYSTEM TO DELIVER WATER TO THE CUSTOMER'S PROPERTY, IF THERE IS NO
 EXISTING WATER LINE ON THE CUSTOMER'S PROPERTY AT THE TIME WATER SERVICE IS
 REQUESTED. FOR EXAMPLE, UNIQUE COSTS COULD INCLUDE, BUT ARE NOT LIMITED TO,
 LABOR, EQUIPMENT, AND MATERIALS COSTS TO EXCAVATE LAND AND INSTALL A NEW
 WATERLINE TO CONNECT THE UTILITY'S EXISTING WATERLINES ON THE CUSTOMER'S LAND
 TO THE METER OR A ROAD BORE.

TAP FEE (Large Meter)

Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS
 LARGER THAN STANDARD 5/8" METERS.

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 or other reason listed \$ 25.00
 under Section 2.0 of this tariff

c) Seasonal Reconnect Fee: A customer requesting reconnection at the same location and for the same location and for the same type of service, will be assessed a reconnect fee of no less than \$25.00 and no more than \$13.35 per month disconnected, times the number of months disconnected, not to exceed 6 times.

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE

\$ 50.00

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

LATE CHARGE

10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE

\$ 25.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)

\$ 50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT

1/6TH OF ESTIMATED ANNUAL BILL

METER TEST FEE (Actual Cost of testing meter up to)

\$ 25.00

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY

METER RELOCATION FEE

Actual Cost

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER.

SECTION 2.0 – SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or commission rules relating to Water and Wastewater Utility regulations, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, 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.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

(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 Texas Administrative Code (TAC) § 24.163(d). 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 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 2.0 – SERVICE RULES AND POLICIES (Continued)

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.

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 Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Title 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 2.0 – SERVICE RULES AND POLICIES (Continued)

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 Title 30 (TAC) § 290.47(f), Appendix F, 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 30 TAC § 290.47(f), Appendix F, 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.

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 2.0 – SERVICE RULES AND POLICIES (Continued)

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. 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 2.0 – SERVICE RULES AND POLICIES (Continued)

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 2.0 – SERVICE RULES AND POLICIES (Continued)

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

Section 2.16 - 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 either the TCEQ or PUC complaint process, depending on the nature of the complaint. 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 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 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.

SECTION 3.0 – EXTENSION POLICY (Continued)

Unless an exception is granted by the TCEQ, 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 TCEQ 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 by the TCEQ, 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 3.0 – EXTENSION POLICY (Continued)

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 TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

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 § 24.163(d)(4), 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 utilities 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 3.0 – EXTENSION POLICY (Continued)

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. 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 3.0 – EXTENSION POLICY (Continued)

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
(Utility Must Attach TCEQ-Approved Plan)**

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

ATTACHMENT C

List of Assets

Utility Name: Crystal Clear Water, Inc.
Docket Number: 50721
SOAH Docket Number:
End of Test Year: 31-Dec-19

Attachment C

Water System	Description	Acquired Date	Claimed Economic Life, yrs	Claimed Original Cost	% Used & Useful	Ver./Est. Original Cost	Economic Life, yrs	Net Plant*
Airport	Land		n/a	3000	100%	3,000	n/a	3,000
Glenshore	Land	1-Aug-71	n/a	1000	100%	1,000	n/a	1,000
Lakeline	Land		n/a	3000	100%	3,000	n/a	3,000
Whispering Ridge	Land	1-Jan-98	n/a	3000	100%	3,000	n/a	4,921
Structures & Improvements								
Airport	Well House	1-Apr-01	30	4000	100%	4,000	30	1,500
Glenshore	Masonry	1-Dec-71	30	600	100%	600	30	0
Lakeline	Well House Mason	1-Aug-75	30	1200	100%	1,200	30	0
Whispering Ridge	Well House Mason	1-Jul-98	30	4600	100%	4,600	30	1,303
Power Generation Equipment (Electrical/Generator)								
Whispering Ridge	Electrical Controls	1-Nov-17	30	1579	100%	1,579	30	1,465
Transmission/Distribution Mains								
Airport	Re-Distribution	1-Jul-01	30	19728	100%	19,728	30	7,563
Glenshore	Lines	1-Oct-71	50	2500	100%	2,500	50	88
Lakeline	Distrib. System	1-Jan-76	30	5500	100%	5,500	30	0
Whispering Ridge	Distrib. System	1-Mar-98	30	87000	100%	87,000	30	23,680
Whispering Ridge	Distrib. System	1-Jul-98	30	20980	100%	20,980	30	5,944
Fencing & Other Tangible Plant								
Airport	Fencing	1-Jan-02	20	2000	100%	2,000	20	200
Glenshore	Fencing	1-Jan-72	30	450	100%	450	30	0
Lakeline	Fencing	1-Oct-76	20	1500	100%	1,500	20	0
Whispering Ridge	Fencing	1-Jan-99	20	3500	100%	3,500	20	0
Storage Tanks								
Glenshore	4000 gal	1-Oct-71	30	2500	100%	2,500	30	0
Lakeline	Storage Tank	1-May-76	30	23670	100%	23,670	30	0
Whispering Ridge	4000 Gal	1-Jul-98	40	7200	100%	7,200	40	3,330
Whispering Ridge	1000 Pressure	1-Jul-98	40	5000	100%	5,000	40	2,312
Whispering Ridge	Fib 12000 Storage	1-Jun-19	15	22408	100%	22,408	15	21,537
Wells								
Airport	Well	1-Jun-71	50	18000	100%	18,000	50	510
Glenshore	Well	1-Aug-71	50	6300	100%	6,300	50	200
Lakeline	Well	1-Aug-63	50	11500	100%	11,500	50	0
Lakeline	Well	1-Oct-76	50	10000	100%	10,000	50	1,351
Whispering Ridge	Well	1-Jun-98	50	20997	100%	20,997	50	11,934
Well Pumps	Well,>5HP							
Airport	15 HP	10-Jan-17	10	6822	100%	6,822	10	4,795
Glenshore	New Pump & Cable	1-Aug-15	10	14521	100%	14,521	10	8,108
Lakeline	LakeLine	1-Oct-16	10	15907	100%	15,907	10	10,742
Whispering Ridge	10 HP 40 GPM	1-Jul-15	10	6402	100%	6,402	10	3,520
Whispering Ridge	10 HP 40 GPM	10-Jan-17	10	6823	100%	6,823	10	4,796
Booster Pumps	Booster,>5HP							
Airport	7 1/2 HP	20-Jun-17	10	3807	100%	3,807	10	2,844
Airport	5 HP	1-Nov-11	10	1521	100%	1,521	10	279
Lakeline	LakeLine	1-Jul-12	10	1550	100%	1,550	10	388
Whispering Ridge	Booster,>5HP	1-Jun-17	10	3808	100%	3,808	10	2,825
Water Treatment Equipment/ Treatment and Disposal Equipment								
Airport	Chlorine Pump	25-Apr-18	3	335.69	100%	336	3	147
Lakeline	Chlorinator	1-Oct-16	3	500	100%	500	3	0
Whispering Ridge	Cloriwater	1-Aug-18	3	460	100%	460	3	243
Meters and Meter Installations								
Glenshore	Meters	1-Dec-71	30	800	100%	800	30	0
Lakeline	MTRS & Tapline	1-Jun-19	10	1750	100%	1,750	10	1,648
Whispering Ridge	Meters	1-Oct-98	30	2500	100%	2,500	30	729
Whispering Ridge	Meters	1-Jan-00	30	7500	100%	7,500	30	2,501

\$367,719

\$367,719

\$138,404