



Control Number: 51048



Item Number: 25

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DOCKET NO. 51048

**APPLICATION OF PERRIN WATER
SYSTEMS, INC. AND PATTERSON
WATER SUPPLY, LLC FOR SALE,
TRANSFER, OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN JACK COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

2021 APR 23 PM 2:57

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

On July 14, 2020, Patterson Water Supply, LLC (Patterson) and Perrin Water Systems, Inc. (Perrin) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate rights in Jack County, in accordance with Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. Specifically, Patterson seeks approval to acquire facilities and to transfer all of Perrin's service area under water Certificate of Convenience and Necessity (CCN) number 12196 to Patterson's water CCN number 13248. The requested area includes approximately 163 acres and 129 connections. Applicants filed supplemental information on October 1, 2020.

On March 2, 2021, the administrative law judge filed Order No. 8, establishing a deadline of April 28, 2021 for the Applicants and Staff of the Public Utility Commission of Texas (Commission Staff) (collectively, Parties) to file a joint motion to admit evidence and proposed notice of approval. Therefore, this pleading is timely filed.

I. SUPPLEMENTAL MOTION TO ADMIT EVIDENCE

The Parties request the entry of the following items into the record of this proceeding:

- a. Close of sale documents between Perrin Water System and Patterson Water System filed on January 15, 2021 (Interchange Item No. 18);
- b. Commission Staff's Recommendation on Sufficiency of Closing Documents and Proposed Procedural Schedule filed on August 13, 2020 (Interchange Item No. 19);
- c. Perrin's Consent Form filed on March 31, 2021 (Interchange Item No. 23);
- d. Patterson's Consent of Sale Form filed on March 31, 2021 (Interchange Item No. 24); and;

- e. the map, certificate, and tariff attached to the supplemental joint motion to admit evidence and joint proposed notice of approval filed on April 28, 2021.

II. JOINT PROPOSED NOTICE OF APPROVAL

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

III. CONCLUSION

The Parties respectfully request that the Commission grant this Supplemental Motion to Admit Evidence and adopt the attached Joint Proposed Notice of Approval.

Dated: April 28, 2021

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Rachelle Nicolette Robles
Division Director

Rashmin J. Asher
Managing Attorney

/s/ Justin C. Adkins

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DOCKET NO. 51048
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 April 28, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Justin C. Adkins
Justin C. Adkins

DOCKET NO. 51048

APPLICATION OF PERRIN WATER	§	PUBLIC UTILITY COMMISSION
SYSTEMS, INC. AND PATTERSON	§	
WATER SUPPLY, LLC FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN JACK COUNTY	§	

JOINT PROPOSED NOTICE OF APPROVAL

This Notice of Approval addresses the application of Patterson Water Supply, LLC (Patterson) and Perrin Water Systems, Inc. (Perrin) (collectively, Applicants) for the sale, transfer, or merger of facilities and certificate rights in Jack County. The Commission approves the sale and transfer of all of Perrin's water facilities and service area under water certificate of convenience and necessity (CCN) number 12196 to Patterson, the cancellation of Perrin's water CCN, and the amendment of Patterson's water CCN number 13248 to include the areas previously included in Perrin's water CCN number 12196.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicants

1. Perrin is a Texas for-profit corporation registered with the Texas Secretary of State under filing number 0121135100.
2. Perrin operates, maintains, and controls facilities, under the temporary management of Mark Patterson, for providing water service in Texas under CCN number 12196.
3. Perrin owns one public water system (PWS) registered with the Texas Commission on Environmental Quality (TCEQ) under PWS identification number 1190005.
4. On May 3, 2019, Perrin was placed under receivership by an Emergency Order issued by the TCEQ.¹
5. Patterson is a domestic for-profit corporation registered with the Texas secretary of state under file number 801820571.

¹ *In the Matter of An Enforcement Action Against Perrin Water Systems, Inc and Texas Rain Holding Company, Inc.*; RN102681897, TCEQ Docket No. 2019-0619-UCR-E, Emergency Order Appointing a Temporary Manager of a Water Utility (May 3, 2019); *see also* Order Modifying Emergency Order Appointing a Temporary Manager of a Water Utility. (Attachment A).

6. Patterson operates, maintains, and controls facilities for providing water service in Texas under CCN number 13248.
7. Patterson owns, through the receivership program, four TCEQ-registered public water systems under identification numbers 0610052 (Vacation Village), 2490049 (Hills of Briar Oaks), 2200117 (Cooley Point), and 1840024 (Crazy Horse Ranch).
8. On May 3, 2019, Patterson was appointed Temporary Manager of Perrin.²

Application

9. On July 14, 2020, Patterson and Perrin filed an application for approval of the sale of public water system 1190005 and transfer of the corresponding service area held under CCN number 12196 in Jack County from Perrin to Patterson under CCN number 13248.
10. On October 1, 2020, Patterson and Perrin filed a supplement to the application.
11. The requested area includes 163 acres and 129 water connections.
12. The requested area includes portions of the City of Perrin, Texas, and is generally bounded on the north by W Davis Street; on the east by Hackley Street; on the south by South Street; and on the west by Rick Road.
13. In Order No. 2 filed on August 17, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

14. On September 16, 2020, Patterson filed the affidavit of Mark Patterson, president of Patterson, attesting that notice was provided to current customers, neighboring utilities, county authorities, municipalities, groundwater conservation districts, and affected parties on August 18, 2020.
15. On October 1, 2020, Patterson filed the affidavit of Mark Patterson, president of Patterson, attesting that notice was provided to current customers, neighboring utilities, county authorities, municipalities, ground water conservation districts, and affected parties on August 18, 2020.
16. In Order No. 4 filed on October 16, 2020, the ALJ deemed the notice sufficient.

² *Id.*

Evidentiary Record

17. On December 8, 2020, the parties filed a joint motion to admit evidence.
18. In Order No. 5 filed on December 10, 2020, the ALJ admitted the following evidence into the record: (a) the application and all attachments filed on July 14, 2020; (b) Commission Staff's recommendation on administrative completeness, proposed notice, and procedural schedule with attached memorandum filed on August 13, 2020; (c) Patterson's response to Commission Staff's first request for information filed on September 16, 2020; (d) Patterson's supplemental proof of notice filed on October 1, 2020; (e) Commission Staff's supplemental recommendation on sufficiency of notice and proposed procedural schedule filed on October 15, 2020; and (f) Commission Staff's recommendation on approval of the transaction to proceed and attached memorandum filed on November 16, 2020.
19. On April 28, 2021, the parties filed a supplemental joint motion to admit evidence.
20. In Order No. 9 filed on _____, 2021 the ALJ admitted the following evidence into the record: (a) Close of sale documents between Perrin Water System and Patterson Water System filed on January 15, 2021 (Interchange Item No. 18); (b) Commission Staff's Recommendation on Sufficiency of Closing Documents and Proposed Procedural Schedule filed on August 13, 2020 (Interchange Item No. 19); (c) Perrin's Consent Form filed on March 31, 2021 (Interchange Item No. 23); (d) Patterson's Consent of Sale Form filed on March 31, 2021 (Interchange Item No. 24); and (e) the map, certificate, and tariff attached to the supplemental joint motion to admit evidence and joint proposed notice of approval filed on April 28, 2021.

Sale

21. In Order No. 6 filed on December 14, 2020, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had closed, and the customer deposits had been addressed.
22. On January 15, 2021, the applicants filed notice that the sale had closed on January 7, 2021 and confirmed that Patterson will be responsible for all customer deposits previously held by Perrin.
23. In Order No. 7 filed on February 1, 2021, 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)

24. Patterson has not been subject to any unresolved enforcement action by the Commission, TCEQ, the Texas Department of State Health Services, the Office of Attorney General, or the United States Environmental Protection Agency.
25. Perrin has several violations identified in the TCEQ database and is currently in receivership.
26. Patterson has made improvements to public water system 1190005, will continue making recommended investments in the system to bring system to standard, and has future plans to upgrade and replace much of the distribution system.
27. Patterson demonstrated a compliance status that is adequate for approval of the sale to proceed.

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

28. The 163-acre requested area subject to the transaction is served by TCEQ public water system number 1190005.
29. Perrin is currently in receivership and Patterson has made improvements to the system and will continue making the recommended investments to bring this system to standard. Line replacements are necessary to replace corroded metal lines that are subject to frequent leaks, and repair of a well that has been out of service is also necessary.

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

30. There is a continuing need for service because there are 129 existing connections in the 163-acre requested service area.
31. The application transfers only existing facilities, customers, and service area. There have been no specific requests for additional service within the requested 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)

32. Patterson has been in operation for over ten years and has been successful in its ability to take water systems from receivership and bring them into full compliance.

33. Existing and future customers will be better served through Patterson's ownership and operation of public water system number 119005 due to existing and planned improvements in the system infrastructure.
34. Because Patterson and Perrin are the only utilities affected by this sale and transfer, there will be no effect on any other retail public utility serving the proximate areas.
35. The transfer will likely improve water service to landowners in the requested area .
36. Patterson will adopt Perrin's current rates upon the consummation of the transaction.

Ability to Serve: Managerial and Technical—TWC §§ 13.241(a), 13.246(c)(4), 13.301(b), (e)(2); 16 TAC §§ 24.227(a), (e)(4); 24.239(e), (h)(5)(D)

37. Patterson has made improvements to public water system 1190005 and will continue to making the recommended investments to bring the system up to TCEQ's standards.
38. Patterson employs TCEQ-licensed water operators who will operate and maintain the public water system.
39. Patterson has access to an adequate supply of water and is capable of providing 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.
40. Patterson has the managerial and technical capability to provide continuous and adequate service to 163-acre 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), and 24.239(e), (h)(5)(F)

41. Patterson has a debt-to-equity ratio of less than one, satisfying the leverage test.
42. Patterson has sufficient cash available to cover any projected operations and maintenance shortages during the first five years after the completion of the proposed sale and transfer, satisfying the operations test.
43. Patterson has demonstrated the financial capability and stability to provide continuous and adequate service to the area being transferred.

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

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

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)

45. Water utilities within a two-mile radius were properly noticed and no protests or opt-out requests were received.
46. Following the transfer, water service to the requested area will be provided by Patterson using existing infrastructure; therefore, it is not feasible to obtain service from another utility.

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)

47. The 163-acre requested area will be served with existing infrastructure and no additional construction is necessary.
48. The environmental integrity and effect on the land will be minimal as Patterson continues to make improvements to the existing facilities in the 163-acre requested area.

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

49. Patterson will continue to provide water service to the existing and future customers in the 163-acre requested area.
50. Water service to the 163-acre requested area will likely improve due to Patterson's upgrades to the water facilities.
51. There will be no change in the quality of service.

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

52. Patterson will not need to construct a physically separate water system to continue serving the requested areas; therefore, concerns of regionalization or consolidation do not apply.

Tariffs, Maps, and Certificates

53. On March 31, 2021, Commission Staff emailed to the applicants the final proposed map, certificate, and tariff related to this docket.
54. On March 31, 2021, Patterson and Perrin filed their consent forms concurring with the proposed final map, certificate, and tariff.

55. On April 28, 2021, the final map, certificate, and tariff were included as attachments to the joint supplemental motion to admit evidence and proposed notice of approval.

Informal Disposition

56. More than 15 days have passed since the completion of notice provided in this docket.
57. No person filed a protest or motion to intervene.
58. Perrin, Patterson, and Commission Staff are the only parties to this proceeding.
59. No party requested a hearing, and no hearing is needed.
60. Commission Staff recommended approval of the application.
61. 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. Perrin and Patterson are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Perrin and Patterson provided notice of the application that complies with TWC §§ 13.246 and 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. Perrin and Patterson completed the sale within the time frame required by 16 TAC § 24.239(m).
6. Perrin and Patterson complied with the requirements of 16 TAC § 24.239(k) with respect to customer deposits.
7. After consideration of the factors in TWC § 13.246(c) and 16 TAC § 24.227(e) and 24.239(h)(5), Patterson has demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested area as required by TWC § 13.301(b) and 16 TAC § 24.239(e).

³ Tex. Gov't Code §§ 2001.001-.903.

8. It is not necessary for Patterson to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
9. Perrin and Patterson demonstrated that the sale of Perrin's water facilities and the transfer of the water service are as held under water CCN number 12196 from Perrin to Patterson and the amendment of Patterson's water CCN number 13248 will serve the public interest and is necessary for the for the service, accommodation, convenience, and safety of the public as required by TWC § 13.301(d) and (e).
10. Patterson must record a certified copy of its 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 Jack County 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).
11. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. The Commission approves the sale and transfer of all of Perrin's facilities and water service areas under water CCN number 12196 to Patterson, the cancellation of Perrin's water CCN number 12196, and the amendment of Patterson's water CCN number 13248 to include the facilities and service areas previously included in Perrin's water CCN number 12196, to the extent provided in this Notice of Approval.
2. The Commission approves the map and tariff attached to this Notice of Approval.
3. The Commission issues the certificate attached to this Notice of Approval.
4. Patterson must provide service to every customer or applicant for service within the approved areas under water CCN 13248 that requests water service and meets the terms of Patterson's water service, and such service must be continuous and adequate.
5. Patterson must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Jack County affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of the Notice of Approval.

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

Signed at Austin, Texas the ____ day of May 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE



WATER UTILITY TARIFF

Docket Number: 51048

Patterson Water Supply, LLC

(Utility Name)

P.O. Box 910

(Business Address)

Collinsville, TX 76233

(City, State, Zip Code)

(903) 429-3008

(Area Code/Telephone)

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

13248

This tariff is effective in the following counties:

Dallas, Denton, Jack, Parker, Tarrant, and Wise

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

None

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

Cooley Point: PWS #2200117

Crazy Horse Ranchos: PWS # 1840024

Danielsdale Community Water Service: PWS #0570044

Hills of Briar Oaks: PWS #2490049

Perrin Water System: PWS #1190005

Rocky Point Community: PWS #0610041

Vacation Village: PWS # 0610052

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 POLICES	7
SECTION 3.0 EXTENSION POLICY	13

APPENDIX A: DROUGHT CONTINGENCY PLAN

APPENDIX B: APPLICATION FOR SERVICE

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>\$42.00</u> (Includes 0 gallons)	<u>\$4.50</u> per 1000 gallons, over the minimum
1"	<u>\$105.00</u>	
1½"	<u>\$210.00</u>	
2"	<u>\$336.00</u>	
3"	<u>\$630.00</u>	
4"	<u>\$1,050.00</u>	
6"	<u>\$2,100.00</u>	

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

Cash X, Check X, Money Order X, Credit Card _____, Other (specify) _____

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$750.00

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

TAP FEE (Unique costs) Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

SECTION 1.0 – RATE SCHEDULE (Continued)

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) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$50.00

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\$30.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0 – RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(pr)(cgc)(r)}{(1.0-r)}$$

Where:

TGC = temporary gallonage charge
cgc = current gallonage charge
r = water use reduction expressed as a decimal fraction (the pumping restriction)
pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff prr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 16 TAC § 24.25(j).

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$20.72</u>	<u>\$1.35</u> per 1000 gallons, 0 to 9,000 gallons
1"	<u>\$20.72</u>	<u>\$1.85</u> per 1000 gallons over 9,000 gallons

CAPITAL IMPROVEMENT SURCHARGES

Well Escrow for 120 months \$8.44 PER RATEPAYER PER MONTH
(11/1/14-10/31/24)

Pump Reimbursement for 24 months \$4.34 PER RATEPAYER PER MONTH
(11/1/14-10/31/16)

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

Cash X, Check X, Money Order X, Credit Card X, Other Web, Auto Draft
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 \$1600.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL 5/8" OR 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED
ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

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

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A
SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS
RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

a) Non-payment of bill (Maximum \$25.00)\$25.00

CUSTOMER 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\$27.00

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

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

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.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes <u>1,000</u> gallons)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$30.00</u>	<u>\$1.75</u> per 1000 gallons Same for all meter sizes

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

Cash X, Check X, Money Order X, Credit Card X, Other Web, Auto Draft
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%
A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE
ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$300.00
THE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR
STANDARD RESIDENTIAL CONNECTION OF 5/8" OR 3/4" METER.

RECONNECTION FEE
THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS
BEEN DISCONNECTED FOR THE FOLLOWING REASONS:
a) Non-payment of bill (Maximum \$25.00)\$10.00
b) Customer's request that service be disconnected\$10.00

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

RETURNED CHECK CHARGE\$7.50

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

METER TEST FEE\$25.00
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO YEAR
PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

SECTION 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>\$21.00</u> (Includes <u>0</u> gallons)	<u>\$4.30</u> per 1000 gallons, over the minimum
1"	<u>\$27.47</u>	
1½"	<u>\$45.82</u>	
2"	<u>\$67.93</u>	

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

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

REGULATORY ASSESSMENT 1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$600.00
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.

SECTION 1.0 – RATE SCHEDULE (Continued)

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) Non-payment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$0.00

TRANSFER FEE.....\$0.00

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\$17.50

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0 – RATE SCHEDULE

Section 1.01 – Rates

Temporary Rates (Effective June 1, 2019)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8" x 3/4"	<u>\$38.00</u>	<u>\$5.00</u> per 1,000 gallons
1"	<u>\$63.00</u>	SAME FOR ALL SIZES
2"	<u>\$238.00</u>	

TEMPORARY TAP FEES

AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

\$1,000 for a 5/8" x 3/4" meter

\$1,250 for a 1" meter

\$2,500 for a 2" meter

The temporary rates will remain in effect until the Commission orders otherwise.

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

Cash , Check X, Money Order X, Credit Card/Debit Card X, Other (specify) echek/ACH

THE UTILITY DOES NOT HAVE CHANGE FOR CASH PAYMENTS, THEREFORE WILL REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

REGULATORY ASSESSMENT..... 1.0%

PUBLIC UTILITY COMMISSION (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 1.0 – RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees

RECONNECTION FEE\$35.00

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED AT A) THE CUSTOMER'S REQUEST, B) REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF, OR C) REASONS LISTED IN THE COMMISSION'S SUBSTANTIVE RULES.

LATE CHARGE

A ONE-TIME PENALTY OF \$1.00 OR 5.0% WHICHEVER IS LARGER MAY BE MADE ON DELINQUENT BILLS. THE PENALTY ON DELINQUENT BILLS MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE\$10.00

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

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 and 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 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 1.0. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.0.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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.

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 2.0 – SERVICE RULES AND POLICIES (Continued)

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 Texas Administrative Code (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(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 2.10 - 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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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. 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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 2.15 - 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 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.

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 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.

If an exception is granted by the PUC, 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 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.

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 § 24.163(d)(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 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.

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 3.0 -- EXTENSION POLICY (Continued)

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 3.06 - 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**Error! Bookmark not defined.**

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

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



Public Utility Commission of Texas

By These Presents Be It Known To All That

Patterson Water Supply, LLC

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, Patterson Water Supply, LLC is entitled to this

Certificate of Convenience and Necessity No. 13248

to provide continuous and adequate water utility service to that service area or those service areas in Dallas, Denton, Jack, Parker, Tarrant, and Wise Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51048 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Patterson Water Supply, LLC 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.

Patterson Water Supply, LLC
Portion of Water CCN No. 13248
PUC Docket No. 51048
Transferred all of Perrin Water System, CCN No. 12196 in Jack County



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

Water CCN



13248 - Patterson Water Supply LLC

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Feet



Map by: Komal Patel
Date created: March 24, 2021
Project Name: 51048PattersonWS.mxd
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