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Control Number - 52032

Item Number - 62

DOCKET NO. 52032

APPLICATION OF INLINE	§	PUBLIC UTILITY COMMISSION
DEVELOPMENT INC. FOR A PASS	§	
THROUGH RATE CHANGE	§	OF TEXAS

NOTICE OF APPROVAL IN DOCKET NO. 54729

COMES NOW, Inline Utilities, LLC (Inline), by and through its undersigned attorneys of record, and files this Notice of Approval (Notice) in this Docket. In support thereof, Inline would respectfully show as follows:

I. BACKGROUND

On April 15, 2021, Inline Development, Inc. filed its Application for a Pass-Through Rate Change under 16 Texas Administrative Code (TAC) § 24.25(b) related to an increase in fees imposed on the Inline by North Harris County Regional Water Authority. On July 22, 2021, the presiding Administrative Law Judge (ALJ) abated this Docket pending the resolution of a sale, transfer or merger application that would transfer the certificate of convenience and necessity (CCN) No. 12946 from Inline Development Corporation to Inline (STM Application). Such transaction has closed and the Commission has approved the STM Application. Accordingly, on April 4, 2024, counsel for the Public Utility Commission (Commission Staff) requested the abatement be lifted in this Docket.

II. NOTICE OF APPROVAL

Inline submits this Notice of Approval to notify and memorialize in the record of this Docket that the STM Application has been approved by the Commission. Specifically, on April 3, 2024, the presiding ALJ in Docket No. 54729 issued a Notice of Approval of the Application of Inline Utilities, LLC and Inline Development Corporation for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County, and a copy of such Notice of Approval is attached hereto as **Exhibit A**. Inline makes this filing at the request of Commission Staff as proof of completion of the sale, transfer, or merger application, and for Commission Staff's review.

III. CONCLUSION

Inline respectfully requests that the Administrative Law Judge accept this Notice and grant all other and further relief to which it may be entitled.

Respectfully submitted,

**LLOYD GOSSELINK
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ATTORNEYS FOR INLINE UTILITIES, LLC

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 10, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.



David J. Klein

Exhibit A

Notice of Approval in Docket No. 54729



Filing Receipt

Filing Date - 2024-04-03 03:13:48 PM

Control Number - 54729

Item Number - 43

DOCKET NO. 54729

APPLICATION OF INLINE UTILITIES,	§	PUBLIC UTILITY COMMISSION
LLC AND INLINE DEVELOPMENT	§	
CORPORATION FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN HARRIS COUNTY	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Inline Utilities, LLC, and Inline Development Corporation for approval of the sale, transfer, or merger of facilities and certificate rights in Harris County. The Commission approves the following: (a) the sale and transfer of the facilities and service area under Inline Development's certificate of convenience and necessity (CCN) numbers 12946 and 20879 to Inline Utilities; (b) the cancellation of Inline Development's CCN numbers 12946 and 20879; and (c) the issuance of CCN numbers 13313 and 21142 for Inline Utilities to include the facilities and service area previously included in Inline Development's service area under CCN number 12946 and 20879, to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Inline Development was a Texas corporation which was registered with the Texas Secretary of State under file number 0129966500.
2. On June 26, 2013, Inline Development filed a certificate of termination with the Texas secretary of state.
3. Michael Martz is the successor-in-interest to Inline Development.
4. Inline Development owns a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Cottage Gardens, under identification number 1013271.
5. Inline Development owns a sewer system permitted with the TCEQ as Inline Utilities Wastewater Treatment Facility, under Texas Pollutant Discharge Elimination System permit number WQ0013942001.

6. Inline Development holds CCN numbers 12946 and 20879 which obligates it to provide retail water and sewer service in its certificated service area in Harris County.
7. Inline Utilities is a Texas limited liability company registered with the Texas secretary of state under file number 800043693.
8. Inline Utilities has been operating the Cottage Gardens public water system and Inline Utilities Wastewater Treatment Facility.

Application

9. On March 8, 2023, the applicants filed the application at issue in this proceeding.
10. In the application, the applicants seek approval of the following transaction:
 - a. the sale and transfer of all facilities and service areas held under Inline Development's CCN numbers 12946 and 20879 to Inline Utilities;
 - b. the cancellation of Inline Development's CCN numbers 12946 and 20879; and
 - c. the issuance of new water and sewer CCN numbers for Inline Utilities to include the facilities and service area previously included in Inline Development's CCN numbers 12946 and 20879.
11. Inline Utilities filed supplemental information on March 27 and April 21, 2023.
12. The requested water service area includes approximately 370.6 acres and 557 existing customers.
13. The requested sewer service area includes approximately 371.4 acres and 956 existing customers.
14. The requested water and sewer service areas (the requested areas) are located approximately three miles southeast of downtown Tomball, Texas, and are generally bounded on the north by Glen Willow Street; on the east by State Highway 99 (Grand Parkway); on the south by Boudreaux Road; and on the west by Willow Creek.
15. In Order No. 3 filed on May 9, 2023, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.
16. Inline Utilities filed a clarification on October 11, 2023.

Notice

17. On June 7, 2023, Inline Utilities filed the affidavit of Michael Martz, director and president of Inline Utilities, attesting that notice was provided to current customers, neighboring utilities, and affected parties on May 19, 2023.
18. On June 21, 2023, Inline Utilities filed the affidavit of Mr. Martz attesting that notice of the application was provided to the Harris County Flood Control District, Harris County Municipal Utility District No. 24, and North Harris County Regional Water Authority on May 19, 2023.
19. On July 20, 2023, Inline Utilities filed the affidavit of Mr. Martz attesting that notice of the application was provided to all landowners of tracts of land that are at least 25 acres and are wholly or partially located in the requested service area on June 30 and July 20, 2023.
20. In Order No. 6 filed on August 14, 2023, the ALJ found notice, as supplemented, sufficient.

Evidentiary Record

21. In Order No. 8 filed on October 16, 2023, the ALJ admitted the following evidence into the record of this proceeding:
 - a. The application, including confidential exhibits, filed on March 8, 2023;
 - b. Inline Utilities' statement of clarification filed on March 23, 2023;
 - c. Inline Utilities' supplement to the application filed on March 27, 2023;
 - d. Inline Utilities' second supplement to the application filed on April 21, 2023;
 - e. Inline Utilities statement of clarification to second supplement filed on April 21, 2023;
 - f. Commission Staff's supplemental recommendation on administrative completeness and notice and proposed procedural schedule filed on May 8, 2023;
 - g. Inline Utilities' proof of notice, including confidential exhibit, filed on June 7, 2023;
 - h. Inline Utilities' supplement to proof of notice filed on June 21, 2023;
 - i. Inline Utilities' second supplement to proof of notice filed on July 20, 2023;

- j. Commission Staff's recommendation on supplemental notice and proposed procedural schedule filed on August 10, 2023;
 - k. Commission Staff's recommendation on approval of the sale, including confidential attachment, filed on September 11, 2023;
 - l. Inline Utilities' second statement of clarification filed on October 11, 2023; and
 - m. Commission Staff's amended recommendation on approval of the sale filed on October 11, 2023.
22. In Order No. 12 filed on March 28, 2024, the ALJ admitted the following additional evidence into the record:
- a. The applicants' proof of closing filed on November 27, 2023;
 - b. Commission Staff's recommendation on sufficiency of closing documents filed on December 12, 2023;
 - c. Joint notice of consent filed on February 2, 2024;
 - d. The maps and certificates attached to the joint notice of consent filed on February 2, 2024;
 - e. Inline Utilities' water utility tariff, attached to the statement of clarification and joint motion to admit evidence filed on March 15, 2024; and
 - f. Inline Utilities' sewer utility tariff, attached to the statement of clarification and joint motion to admit evidence filed on March 15, 2024.

Sale

23. In Order No. 9 filed on October 26, 2023, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had closed and that customer deposits, if any, had been addressed.
24. On November 27, 2023, Inline Utilities filed proof that the sale had closed and confirmed that there are no customer deposits to be addressed.
25. The closing documents include a bill of sale and assignment executed by both applicants with an effective date of November 26, 2023.

26. In Order No. 10 filed on December 13, 2023, the ALJ found the closing documentation sufficient.

Purchaser's Compliance History

27. Because Inline Utilities will be a newly certificated utility, there are no complaints on file with the Commission.
28. Inline Utilities does not have any active violations in the TCEQ database.
29. Inline Utilities does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
30. Inline Utilities demonstrated a compliance history that is adequate for approval of the sale to proceed.

Adequacy of Existing Service

31. Inline Utilities has been operating the Cottage Gardens public water system and Inline Utilities Wastewater Treatment Facility sewer system and providing retail water and sewer service to customers since 2013.
32. There are currently 557 connections in the requested water service area that are being served by Inline Development through the Cottage Gardens public water system and such service has been continuous and adequate.
33. The last TCEQ compliance investigation of Inline Development's public water system was on November 24, 2020.
34. There are currently 956 connections in the requested sewer service area that are being served by Inline Development through the Inline Utilities Wastewater Treatment Facility sewer system and such service has been continuous and adequate.
35. The last TCEQ compliance investigation of Inline Development's sewer system was on January 7, 2020.
36. Inline Development does not have any active violations listed in the TCEQ database.
37. The Commission's complaint records, which date back five years, show 16 complaints against Inline Development, each of which have been reviewed and closed by the Commission's Consumer Protection Division.

38. There is no evidence in the record that Inline Development has failed to comply with any Commission or TCEQ order.

Need for Additional Service

39. There are 557 existing water customer connections and 956 existing sewer customer connections in the requested areas that are receiving service from Inline Development and have an ongoing need for service.
40. This is an application to transfer only existing facilities, customers, and service areas.
41. There is no evidence in the record indicating a need for additional service within the requested areas.

Effect of Approving the Transaction and Issuing the Certificates

42. Inline Utilities will be the sole certificated water and sewer utility for the requested areas.
43. Inline Utilities will be required to provide continuous and adequate water and sewer service to current and future customers in the requested areas.
44. Landowners in the requested areas will be able to obtain water and sewer service from Inline Utilities.
45. All retail public utilities in the proximate areas were provided notice of the application and no protests or adverse comments were filed.
46. There will be no effect on any retail public utility providing service in the proximate areas.

Ability to Serve: Managerial and Technical

47. Inline Utilities employs or contracts with TCEQ-licensed operators who will operate and maintain the public water system and sewer system being transferred.
48. No additional construction is necessary for Inline Utilities to provide water or sewer service to the requested areas.
49. Inline Utilities has the technical and managerial capability to provide continuous and adequate service to the requested areas.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

50. Inline Utilities is currently serving customers and has sufficient capacity.

51. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities will need to be constructed; at a minimum, an interconnect would need to be installed to connect to a neighboring retail public utility.
52. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

53. It will not be necessary for Inline Utilities to construct a physically separate water or sewer system to serve the requested area.
54. Because the requested areas will not require the construction of a physically separate water or sewer system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability and Stability

55. Inline Utilities has a debt-to-equity ratio that is less than one, satisfying the leverage test.
56. Inline Utilities' financial statements indicate there are no projected shortages to cover and it has sufficient cash available to cover any projected operations and maintenance shortages during the first five years of operations after approval of the transaction, satisfying the operations test.
57. Capital improvements are not required for Inline Utilities to be able to provide continuous and adequate water and sewer service to customers in the requested areas.
58. Inline Utilities demonstrated the financial capability and stability to provide continuous and adequate service to the requested areas.

Financial Assurance

59. There is no need to require Inline Utilities to provide a bond or other financial assurance to ensure continuous and adequate water and sewer service.

Environmental Integrity and Effect on the Land

60. There will be no effects on environmental integrity or the land as a result of the proposed transaction.

Improvement of Service or Lowering Cost to Consumers

- 61. Inline Utilities will continue to provide water and sewer service to Inline Development's existing customers in the requested areas.
- 62. There will be no change to the reliability and quality of water service from Inline Utilities, as service is already being provided by Inline Utilities through Inline Development's existing facilities.
- 63. The current rates charged to existing customers will not change as a result of the proposed transaction.

Maps, Tariffs, and Certificates

- 64. On January 30, 2024, Commission Staff emailed to Inline Development and Inline Utilities the proposed final maps, tariffs, and certificates related to this docket.
- 65. On February 2, 2024, Inline Utilities filed its consent to the proposed final maps, tariffs, and certificates.
- 66. On February 2, 2024, Inline Development filed its consent form to the proposed final map.
- 67. On February 2, 2024, the proposed final maps and certificates were included as attachments to the consent forms.
- 68. On March 15, 2024, the proposed water and sewer tariffs were included as attachments to the statement of clarification and joint motion to admit evidence.

Informal Disposition

- 69. More than 15 days have passed since the completion of notice provided in this docket.
- 70. No person filed a protest or motion to intervene.
- 71. Inline Development, Inline Utilities, and Commission Staff are the only parties to this proceeding.
- 72. No party requested a hearing, and no hearing is needed.
- 73. Commission Staff recommended approval of the application.
- 74. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Inline Development and Inline Utilities are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Inline Development and Inline Utilities' application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.227 and 24.233.
4. Inline Development and Inline Utilities provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC §§ 24.235 and 24.239(c).¹
5. The Commission processed the application in accordance with the requirements of the TWC, Administrative Procedure Act,² and Commission Rules.
6. Inline Development and Inline Utilities completed the sale and transfer within the time required by 16 TAC § 24.239(m).
7. Inline Development and Inline Utilities complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
8. After consideration of the factors in TWC § 13.246(c), Inline Utilities demonstrated that it is capable of rendering continuous and adequate service to every customer within the requested areas, as required by TWC § 13.251.
9. Inline Utilities demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested areas as required by TWC §§ 13.241(a) and 13.301(b).

¹ After this application was filed, 16 TAC § 24.239 was amended, effective March 29, 2023. Accordingly, all references and citations to 16 TAC § 24.239 in this Notice of Approval are made to the version in effect at the time the application was filed.

² Tex. Gov't. Code §§ 2001.001–.903.

10. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water or sewer system is not required.
11. It is not necessary for Inline Utilities to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
12. Inline Development and Inline Utilities demonstrated that the sale and transfer of Inline Development's facilities and certificated service area under CCN numbers 12946 and 20879 to Inline Utilities will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public, as required by TWC §§ 13.246(b) and 13.301(d) and (e).
13. Under TWC § 13.257(r) and (s), Inline Utilities must record a certified copy of its certificates and maps approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Harris County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording.
14. The requirements for informal disposition in 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 Inline Development's facilities and service area under CCN numbers 12946 and 20879 to Inline Utilities, as shown on the attached maps.
2. The Commission cancels Inline Development's CCN numbers 12946 and 20879.
3. The Commission approves the maps and tariffs attached to this Notice of Approval.
4. The Commission issues the certificates attached to this Notice of Approval.
5. Inline Utilities must provide service to every customer or qualified applicant for water service within the approved area under CCN number 13313 that requests water service and

- meets the terms of Inline Utilities' water service policies, and such service must be continuous and adequate.
6. Inline Utilities must provide service to every customer or qualified applicant for sewer service within the approved area under CCN number 21142 that requests sewer service and meets the terms of Inline Utilities' sewer service policies, and such service must be continuous and adequate.
 7. Inline Utilities must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Harris County affected by the application and file in this docket proof of the recording no later than 45 days after receipt of the Notice of Approval.
 8. Within ten days of the date this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of the water and sewer tariffs approved by this Notice of Approval to be stamped *Approved* and retained by Central Records.
 9. The Commission denies all other motions and any other requests for general or specific relief that have not be expressly granted.

Signed at Austin, Texas on the 3rd day of April 2024.

PUBLIC UTILITY COMMISSION OF TEXAS



CHRISTINA DENMARK
ADMINISTRATIVE LAW JUDGE



Public Utility Commission of Texas

By These Presents Be It Known To All That

Inline Utilities, 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, Inline Utilities, LLC is entitled to this

Certificate of Convenience and Necessity No. 13313

to provide continuous and adequate water utility service to that service area or those service areas in Harris County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54729 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 Inline Utilities, 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.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Inline Utilities, LLC

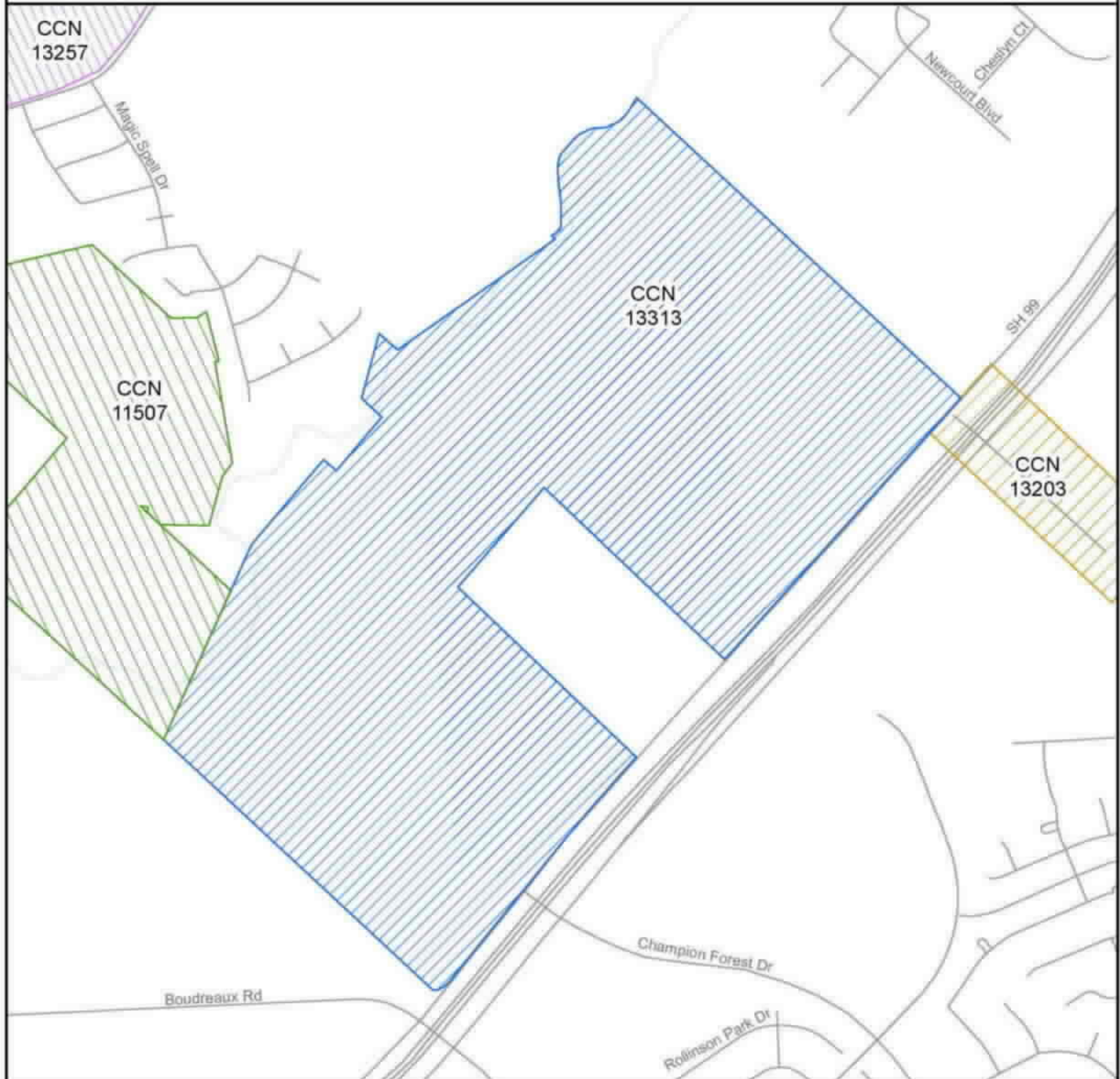
having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Inline Utilities, LLC is entitled to this

Certificate of Convenience and Necessity No. 21142





to provide continuous and adequate sewer utility service to that service area or those service areas in Harris County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54729 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 Inline Utilities, 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.

PUCT Docket No. 54729
Inline Utilities, LLC
Water CCN No. 13313

Transfer all of Inline Development Corporation, CCN No. 12946 and Obtain New Water CCN in Harris County



Water CCN

-  13313 - Inline Utilities LLC
-  11507 - Albury Manor Utility Company
-  13203 - Aqua Texas Inc
-  13257 - City of Tomball

0 500 1,000
Feet

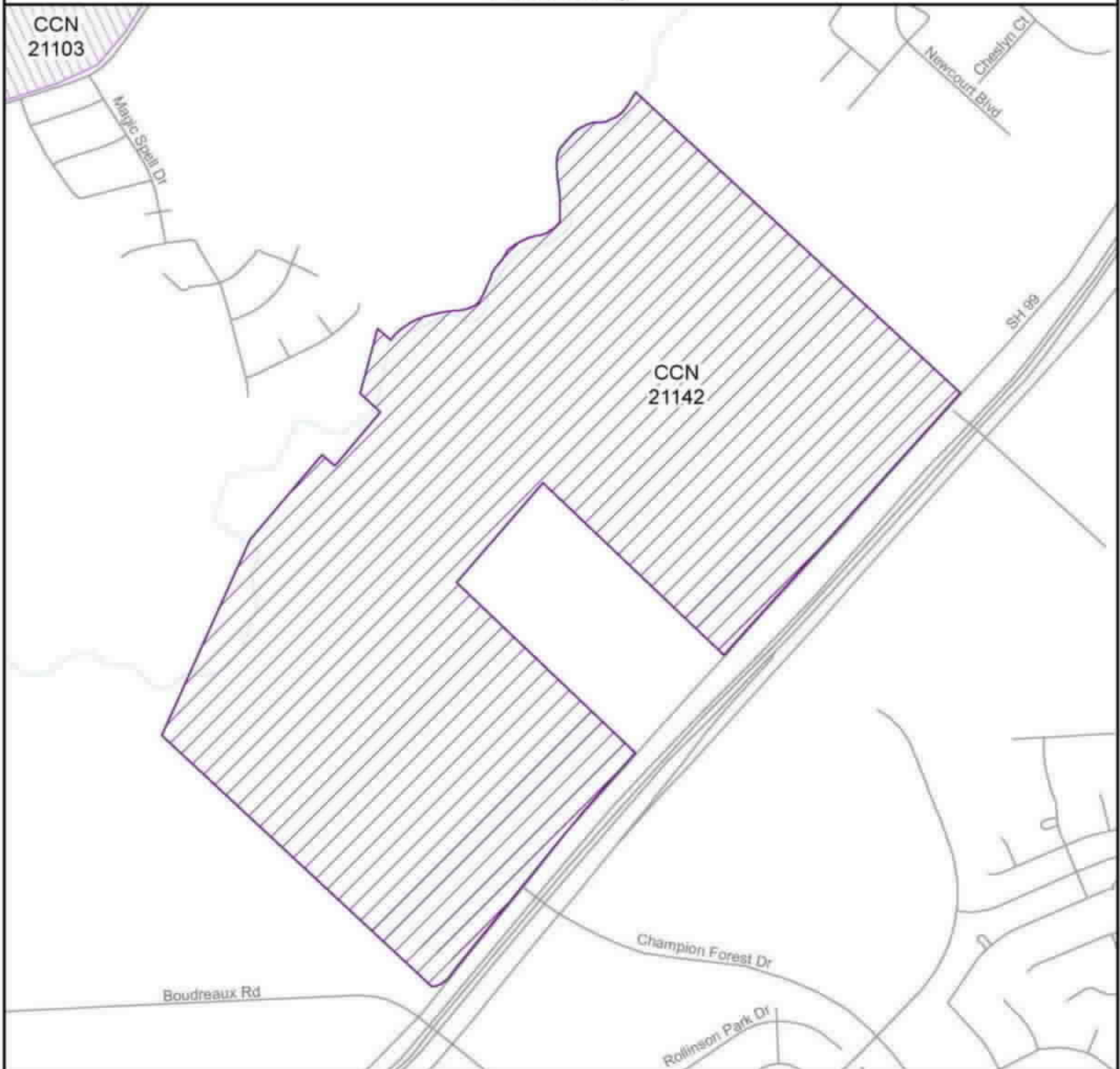


PUCT Docket No. 54729



Inline Utilities, LLC

Sewer CCN No. 21142

Transfer all of Inline Development Corporation, CCN No. 20879 and Obtain New Sewer CCN in
Harris County



Sewer CCN

-  21142 - Inline Utilities LLC
-  21103 - City of Tomball

0 500 1,000
Feet





WATER UTILITY TARIFF

Docket No. 54729

Inline Utilities, LLC
(Utility Name)

21755 IH 45 North, Suite 11
(Business Address)

Spring, Texas 77388
(City, State, Zip Code)

(281) 651-1126
(Area Code/Telephone)

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

13313

This tariff is effective in the following counties:

Harris

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

None

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

Cottage Gardens, PWS ID No. 1013271

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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APPENDIX B -- SAMPLE SERVICE AGREEMENT	
APPENDIX C -- 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>\$28.00</u> (Includes 0 gallons)	<u>\$3.59</u> per 1,000 gallons

***North Harris County Regional Water Authority (NHCRWA) Pass Through Fee\$4.72 per 1,000 gallons. This fee is applicable to the Cottage Gardens Subdivision (PWS # 1013271) customers only. (Tariff Control No. 52032)**

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 Fee

TAP FEE \$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 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.

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 \$0.00

SECTION 1.0 – RATE SCHEDULE (Continued)

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 (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.....\$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

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

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

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any wholesale water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the formula:

AG = $B/(1-L)$, where:
AG = adjusted gallonage charge, rounded to nearest one cent
B = new gallonage charge by source supplier or conservation district (per 1,000 gallons)
L = system average line loss for preceding 12 months, not to exceed 0.15

If gallons are included in minimum bill you must also adjust your base rate and show your calculations according to the formula:

Adjusted Base Rate (ABR) = $BR + [(B \times N)/(1-L)]$, where:
ABR = adjusted base rate, rounded to nearest one cent;
BR = approved base rate charge;
B = change in fee (per 1,000 gallons);
N = No. of 1,000 gallons included in the base rate (do not use zero);
L = water loss for preceding 12 months, not to exceed 0.15 (15%).

To implement or modify the Purchased Water/ Underground Water District Fee, the utility must comply with all notice and other requirements of 16 TAC § 24.25 (b)(2)(F).

Docket No. 54729

Inline Utilities, LLC

Water Utility Tariff Page No. 4

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (Commission or PUC) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any 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.

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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 (are) 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, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 30 TAC § 290.47(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.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

(D) Prorated Bills

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

Section 2.11- Payments

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

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. 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 Commission, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.16 - Customer Complaints and Disputes

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

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

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 Extensions 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.

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

Exceptions may be granted by the PUC if:

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

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

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

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

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with 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.

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the 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 3.04 - 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.

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

APPENDIX A - DROUGHT CONTINGENCY PLAN

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

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

Services Agreement

PURPOSE. Inline Utilities LLC is responsible for protecting the drinking water supply from contamination or pollution, which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions, which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before Inline Utilities will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.

The water system will maintain a copy of this agreement as long as the customer and/or the premises is connected to the water system.

The customer shall allow his premises to be inspected for possible cross-connections other potential contamination hazards. Inline shall conduct these inspections Utilities or its designated agent prior to initiating a new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during Inline Utilities normal business hours.

Inline Utilities shall notify the customer of any cross-connection or other potential Contamination hazard which has been identified during the initial inspection or the periodic re-inspection.

The customer shall immediately remove or adequately isolate any potential cross – connection or other potential contamination hazards on his premises.

The customer is responsible for water and sewer line blockage, repairs, damage or any other services needed.

RATES Customer agrees to pay a minimum \$28.00 for water and a minimum \$25.00 for Sewer, and \$3.59 per 1000 gallons for water, and \$3.59 per 1000 gallons for sewer usage. NHCRWA (North Houston County Regional Water Authority) rate is \$5.41 per 1000 gallons of water and subject to change upon their rate increase. New service will be connected within three (3) business days of receiving your paperwork and deposit.

Inline Utilities will invoice Customer on a Monthly basis. However, the amount due for the current month invoice is due and payable on the 17th day of each month by 5:00pm.

Customer agrees to make payment in full no later than the 17th of each month. **There will be a late payment fee of \$5.00 or 10% of the current balance due for all payments received after 5:00pm on the 17th.** It is the sole responsibility of the customer to contact our office during normal business hours if the monthly bill has not been received. All bills are normally mailed or emailed no later than the first of each month. Failure to receive a bill will not prevent you from being billed any late fees. Inline Utilities does not accept telephone payments.

Inline Utilities will continue billing the customer's account unless the Termination Request is submitted via email, mail or faxed to us. You will be billed the base rate plus any usage. You are encouraged to use the form that is available on our website to discontinue services. **Verbal requests will not be processed.**

If payment is not received by the due date, a 10 day final/disconnect notice is mailed/emailed to customer, Inline Utilities will be forced to terminate water/sewer services for non – payment. Should termination occur, full payment made by guaranteed funds must be received, **and a reconnect fee of \$25.00 must be paid prior to the services being reconnected.** Full payment must be received in our office during normal business hours in order to be reconnected within 24 hrs. of receipt of your payment. Payments made online or left in our drop box will be processed the next business morning and will be reconnected within 24 hrs. of the payment being processed.

As part of the termination process, you will be billed for the entire month when you discontinue services. Which is the base of \$28.00 for water and \$25.00 for sewer plus any usage. **We do not prorate your final bill.**

Payments are to be mailed to: 21755 I-45 Bldg. #11 Spring, Texas 77375 acceptable forms of payments are cashier's check, money order, or personal check and cash. WE ALSO ACCEPT MASTERCARD, VISA, DISCOVER. We also accept payments online at our website you will need your account and create your user name and password.

<https://residentwebaccess.rentmanager.com/?corpid=northstar>

ENFORCEMENT. If the customer fails to comply with the terms of the service agreement, Inline Utilities LLC shall, at its option, terminate service or properly install, test, and maintain an appropriate back flow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the customer.

Acuerdo de Servicios

Propósito. Inline Utilities LLC es responsable de proteger el suministro de agua potable de la contaminación o contaminación, que podría

resultar de la construcción o configuración inadecuada del sistema de distribución de agua privada. El propósito de este acuerdo de servicio es notificar a cada cliente de las restricciones, que están en vigor para proporcionar esta protección. La utilidad aplica estas restricciones para garantizar la salud y el bienestar públicos. Cada cliente debe firmar este acuerdo antes de que Inline Utilities comience el servicio. Además, cuando se ha suspendido o terminado el servicio a una conexión existente, el sistema de agua no restablecerá el servicio a menos que tenga una copia firmada si este acuerdo.

El sistema de agua mantendrá una copia de este acuerdo siempre y cuando el cliente y/o el local estén conectados al sistema de agua.

El cliente permitirá que sus instalaciones sean inspeccionadas en busca de posibles conexiones cruzadas de otros posibles peligros de contaminación. En línea llevará a cabo estas inspecciones Utilidades o su agente designado antes de iniciar un nuevo servicio de agua; cuando hay razones para creer que existen conexiones cruzadas u otros peligros potenciales de contaminación; o después de cualquier cambio importante en las instalaciones privadas de distribución de agua. Las inspecciones se llevarán a cabo durante el horario comercial normal de Inline Utilities.

Inline Utilities notificará al cliente cualquier interconexión u otro peligro potencial de contaminación que haya sido identificado durante la inspección inicial o la re-inspección periódica.

El cliente deberá retirar o aislar inmediatamente cualquier posible peligro de conexión cruzada u otros posibles riesgos de contaminación en sus instalaciones.

El cliente es responsable de la obstrucción de la línea de agua y alcantarillado, reparaciones, daños o cualquier otro servicio necesario.

TARIFAS El Cliente se compromete a pagar un mínimo de \$28.00 por agua y un mínimo de \$25.00 por Alcantarillado, y \$3.59 por 1000 galones por agua, y \$3.59 por 1000 galones para uso de alcantarillado.

La tarifa de nhCRWA (Autoridad Regional de Agua del Condado de North Houston) es de \$5.41 por cada 1000 galones de agua y está sujeta a cambios en el aumento de su tarifa. El nuevo servicio se conectará dentro de los tres (3) días hábiles posteriores a la recepción de su documentación y depósito.

Inline Utilities facturará al Cliente mensualmente. Sin embargo, el importe adeudado para la factura del mes actual debe pagarse el día 17 de cada mes antes de las 5:00 p.m.

El Cliente se compromete a realizar el pago completo a más tardar el 17 de cada mes. Habrá una tarifa de pago atrasado de \$5.00 o 10% del saldo actual adeudado por todos los pagos recibidos después de las 5:00 pm del día 17. Es responsabilidad exclusiva del cliente ponerse en contacto con nuestra oficina durante el horario comercial normal si la factura mensual no ha sido recibida. Todas las facturas normalmente se envían por correo o por correo electrónico a más tardar el primero de cada mes. Si no recibe una factura, no se le impedirá facturar ningún cargo por mora. Inline Utilities no acepta pagos telefónicos.

Inline Utilities continuará facturando la cuenta del cliente a menos que la Solicitud de terminación se envíe por correo electrónico, correo o fax. Se le facturará la tarifa base más cualquier uso. Le recomendamos que utilice el formulario que está disponible en nuestro sitio web para interrumpir los servicios. Las solicitudes verbales no se procesarán.

Si el pago no se recibe antes de la fecha de vencimiento, se envía por correo/correo electrónico al cliente un aviso de final/desconexión de 10 días, inline Utilities se verá obligado a terminar los servicios de agua y alcantarillado después de 10 días de aviso. En caso de que se pague después de la

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

Application for Water and Waste Water Services

Sugarberry Place Phase II Cottage Gardens

Drag Elements Here

In order to process your service agreement for Water and Wastewater services please complete the form below. In addition, you are required to provide the first page of your Lease or HUD Statement and proof of a valid social security and driver's license or state photo id. Payment of the required \$100.00 deposit to Inline Utilities LLC may be paid in person or online. Failure to supply all required documents may result in a higher deposit.

Para procesar su contrato de servicio para los servicios de Agua y Aguas Residuales, complete el siguiente formulario. Además, se le requiere proporcionar la primera página de su Declaración de Arrendamiento o HUD y prueba de una seguridad social válida y licencia de conducir o identificación de la foto del estado. El pago del depósito requerido de \$100.00 a Inline Utilities LLC puede ser pagado en persona o en línea. Si no se suministran todos los documentos requeridos, se puede producir un depósito más alto.

Full Name *

<input type="text"/>	<input type="text"/>	<input type="text"/>
First Name	Middle Name	Last Name

Driver's License # *

Social Security # *

Date of Birth *

Month

Day

Year



Phone Number *

Area Code

Phone Number

Cell Number *

Area Code

Phone Number

Emergency Contact *

Emergency Phone *

Area Code

Phone Number

E-mail *

**How many person(s)
are in your
household: ***

**Check one of the
following ***

- ☐ US Resident
- ☐ Not a US Resident
- ☐ Other

**Service Request
Date ***

Month

Day

Year



Service Address *

Street Address

Street Address Line 2

City

State / Province

Postal / Zip Code

Please Select
Country



I would like to
receive my bill *

- ☐ Email
- ☐ Postal Mail
- ☐ Alternate Address
- ☐ Other

Check one of the
following: *

Please Select



Alternate Address

Street Address

Street Address Line 2

City

State / Province

Postal / Zip Code

Please Select
Country



☐ I agree to terms & conditions. *

Signature *

Clear

Step 2

Setting up your account online to make payments and manage your

account:

1. On the resident login screen, click **Create New Account**
2. Enter your date of birth example: 01/02/1999
3. Enter your account number example: 12345
4. Create a username and password (write down your password in a safe place)
5. Enter a recovery password. Confirm password.
6. Click confirm recovery password (in red) you will then receive an email at the address you provided that will ask you to confirm one more time.
7. Once you receive your email with your final confirmation requesting your corporate id you will need to enter **Northstar**. **This final step is important in the event you forget your password.**

While you are logged into Resident Web Access, click the tabs at the top of the page to:

Credit Card– you can at any time change or update your credit card information.

Open Charges–there will be no charges to view unless your account has been billed for the month. The system will only allow you to pay up to what is owed.

Account–you can at any time change your password, email, phone numbers

Once your payment has been accepted you will receive a confirmation number and can print a receipt. **If you do not click confirm your payment has not gone through.**

Please note, Inline Utilities does not have access to your credit card information or your password. If you forget your password you will need to go to the Resident Login screen and enter your user name and click on the recover password button. A temporary password will be emailed to you for a one time use so that you can enter your account and update your password. If you failed to

enter an email at time of set-up you will need to come to the Inline Office with id that matches the account to have the password reset.

Paso 2

Configurar tu cuenta en línea para realizar pagos y administrar tu cuenta:

1. En la pantalla de inicio de sesión del residente, haga clic en Crear nueva cuenta
2. Introduzca su ejemplo de fecha de nacimiento: 01/02/1999
3. Introduzca el ejemplo de su número de cuenta: 12345
4. Crear un nombre de usuario y contraseña (escribir su contraseña en un lugar seguro)
5. Introduzca una contraseña de recuperación. Confirme la contraseña.
6. Haga clic en Confirmar contraseña de recuperación (en rojo) recibirá un correo electrónico en la dirección que proporcionó que le pedirá que confirme una vez más.
7. Una vez que reciba su correo electrónico con su confirmación final solicitando su identificación corporativa, tendrá que ingresar a Northstar.. Este último paso es importante en caso de que olvide su contraseña.

• Mientras ha iniciado sesión en Resident Web Access, haga clic en las pestañas de la

Exhibit C

Inline Utilities, LLC's Sewer Utility Tariff



SEWER UTILITY TARIFF Docket Number 54729

Inline Utilities, LLC
(Utility Name)

21755 IH 45 North, Suite 11
(Business Address)

Spring, Texas 77388
(City, State, Zip Code)

(281) 651-1126
(Area Code/Telephone)

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

21142

This tariff is effective in the following counties:

Harris

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

N/A

This tariff is effective in the following subdivisions or systems:

Sugarberry Place and Cottage Gardens, WQ0013942-001

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
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SECTION 3.0 -- EXTENSION POLICY	9

APPENDIX A -- APPLICATION FOR SERVICE

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$25.00</u> (Includes 0 gallons)	<u>\$3.59</u> per 1000 gallons

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$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 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.

RECONNECTION FEE

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

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

SECTION 1.0 – RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees (Continued)

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%
TCEQ 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 \$20.00
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 EST. 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 24.21(K)(2)]

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

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission 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 Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

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

Fees in addition to the regular tap fee may be charged to cover unique costs not normally incurred as permitted by § 24.86(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

2.06 Access to Customer's Premises

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Back Flow Prevention Devices

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

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

Section 2.10 - Billing

(A) Regular Billing

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

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

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

Section 2.14 - Service Interruptions

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

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

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

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 collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

Exceptions may be granted by the PUC if:

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

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

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

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

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

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, collection, transmission, pumping, or treatment of sewage or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of § 24.86(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 § 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the 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 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

APPENDIX A -- SAMPLE SERVICE AGREEMENT

Services Agreement

PURPOSE. Inline Utilities LLC is responsible for protecting the drinking supply from contamination or pollution, which could result from improper private distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions, which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before Inline Utilities will begin service. In addition, when service to an existing connection has been suspended or terminated, the system will not re-establish service unless it has a signed copy of this agreement.

The system will maintain a copy of this agreement as long as the customer and/or the premises is connected to the system.

The customer shall allow his premises to be inspected for possible cross-connections other potential contamination hazards. Inline shall conduct these inspections Utilities or its designated agent prior to initiating a new service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private distribution facilities. The inspections shall be conducted during Inline Utilities normal business hours.

Inline Utilities shall notify the customer of any cross-connection or other potential Contamination hazard which has been identified during

the initial inspection or the periodic re-inspection.

The customer shall immediately remove or adequately isolate any potential cross – connection or other potential contamination hazards on his premises.

The customer is responsible for sewer line blockage, repairs, damage or any other services needed.

RATES Customer agrees to pay a minimum base \$25.00 for Sewer, and \$3.59 per 1000 gallons. New service will be connected within three (3) business days of receiving your paperwork and deposit.

Inline Utilities will invoice Customer on a Monthly basis. However, the amount due for the current month invoice is due and payable on the 17th day of each month by 5:00pm.

Customer agrees to make payment in full no later than the 17th of each month. **There will be a late payment fee of \$5.00 due for all payments received after 5:00pm on the 17th.** It is the sole responsibility of the customer to contact our office during normal business hours if the monthly bill has not been received. All bills are normally mailed or emailed no later than the first of each month. Failure to receive a bill will not prevent you from being billed any late fees. Inline Utilities does not accept telephone payments.

Inline Utilities will continue billing the customer's account unless the Termination Request is submitted via email, mail or faxed to us. You will be billed the base rate plus any usage. You are encouraged to use the form that is available on our website to discontinue services. **Verbal requests will not be processed.**

If payment is not received by the due date, a 10 day final/disconnect notice is mailed/emailed to customer, Inline Utilities will be forced to

terminate /sewer services for non – payment. Should termination occur, full payment made by guaranteed funds must be received, **and a reconnect fee of \$25.00 must be paid prior to the services being reconnected.** Full payment must be received in our office during normal business hours in order to be reconnected within 24 hrs. of receipt of your payment. Payments made online or left in our drop box will be processed the next business morning and will be reconnected within 24 hrs. of the payment being processed.

As part of the termination process, you will be billed for the entire month when you discontinue services. Which is the base of \$25.00 for sewer plus any usage. **We do not prorate your final bill.**

Payments are to be mailed to: 21755 I-45 Bldg. #11 Spring, Texas 77375 acceptable forms of payments are cashier's check, money order, or personal check and cash. WE ALSO ACCEPT MASTERCARD, VISA, DISCOVER. We also accept payments online at our website you will need your account and create your user name and password.

<https://residentwebaccess.rentmanager.com/?corpid=northstar>

ENFORCEMENT. If the customer fails to comply with the terms of the service agreement, Inline Utilities LLC shall, at its option, terminate service or properly install, test, and maintain an appropriate back flow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the customer.

Propósito. Inline Utilities LLC es responsable de proteger el suministro de bebidas de la contaminación o contaminación, que podría resultar de la construcción o configuración inadecuada del sistema de distribución privada. El propósito de este acuerdo de servicio es notificar a cada cliente de las restricciones, que están en vigor para proporcionar esta protección. La utilidad aplica estas restricciones para garantizar la salud y el bienestar públicos. Cada cliente debe firmar este acuerdo antes de que Inline Utilities comience el servicio. Además, cuando se ha suspendido o terminado el servicio a una conexión existente, el sistema no restablecerá el servicio a menos que tenga una copia firmada si este acuerdo.

El sistema mantendrá una copia de este acuerdo siempre y cuando el cliente y/o las instalaciones estén conectados al sistema.

El cliente permitirá que sus instalaciones sean inspeccionadas en busca de posibles conexiones cruzadas de otros posibles peligros de contaminación. En línea llevará a cabo estas inspecciones Utilidades o su agente designado antes de iniciar un nuevo servicio; cuando hay razones para creer que existen conexiones cruzadas u otros peligros potenciales de contaminación; o después de cualquier cambio importante en las instalaciones de distribución privada. Las inspecciones se llevarán a cabo durante el horario comercial normal de Inline Utilities.

Inline Utilities notificará al cliente cualquier interconexión u otro peligro potencial de contaminación que haya sido identificado durante la inspección inicial o la re-inspección periódica.

El cliente deberá retirar o aislar inmediatamente cualquier posible peligro de conexión cruzada u otros posibles riesgos de contaminación en sus instalaciones.

El cliente es responsable de la obstrucción de la línea de alcantarillado,

reparaciones, daños o cualquier otro servicio necesario.

TARIFAS El Cliente se compromete a pagar una base mínima de \$25.00 por Sewer, y \$3.59 por 1000 galones. El nuevo servicio se conectará dentro de los tres (3) días hábiles posteriores a la recepción de su documentación y depósito.

Inline Utilities facturará al Cliente mensualmente. Sin embargo, el importe adeudado para la factura del mes actual debe pagarse el día 17 de cada mes antes de las 5:00 p.m.

El Cliente se compromete a realizar el pago completo a más tardar el 17 de cada mes. Habrá un cargo por pago atrasado de \$5.00 debido por todos los pagos recibidos después de las 5:00pm del 17. Es responsabilidad exclusiva del cliente ponerse en contacto con nuestra oficina durante el horario comercial normal si la factura mensual no ha sido recibida. Todas las facturas normalmente se envían por correo o por correo electrónico a más tardar el primero de cada mes. Si no recibe una factura, no se le impedirá facturar ningún cargo por mora. Inline Utilities no acepta pagos telefónicos.

Inline Utilities continuará facturando la cuenta del cliente a menos que la Solicitud de terminación se envíe por correo electrónico, correo o fax. Se le facturará la tarifa base más cualquier uso. Le recomendamos que utilice el formulario que está disponible en nuestro sitio web para interrumpir los servicios. Las solicitudes verbales no se procesarán.

Si el pago no se recibe antes de la fecha de vencimiento, se envía por correo/correo electrónico al cliente un aviso de final/desconexión de