



Filing Receipt

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DOCKET NO. 52317

APPLICATION OF BASTROP WEST	§	PUBLIC UTILITY COMMISSION
WATER SUPPLY AND K & K WATER	§	
COMPANY FOR SALE, TRANSFER,	§	OF TEXAS
OR MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN BASTROP	§	
COUNTY	§	

**JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED ORDER APPROVING
SALE AND ALLOWING TRANSACTION TO PROCEED**

I. INTRODUCTION

On July 14, 2021, Bastrop West Water Supply (Bastrop West) and K & K Water Company (K & K Water) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Bastrop County. Specifically, the Applicants seek approval to sell and transfer all of Bastrop West's facilities and certificated service area under water Certificate of Convenience and Necessity (CCN) No. 12050 to K & K Water's water CCN No. 11836. The requested area consists of approximately 289 acres and 117 customer connections. Bastrop West filed supplemental information on July 27, 2021, August 11, 2021, August 27, 2021, August 31, 2021, September 3, 2021, October 25, 2021, February 2, 2022, February 17, 2022, April 26, 2022, July 14, 2022, August 16, 2022, and August 29, 2022. The Applicants filed supplemental information on October 27, 2022.

On September 28, 2022, the administrative law judge (ALJ) filed Order No. 14, finding the closing documents to be sufficient and requiring the Staff (Staff) of the Public Utility Commission of Texas (Commission) and the Applicants (collectively, Parties) to jointly file a Proposed Notice of Approval by November 17, 2022. Therefore, this pleading is timely filed.

II. MOTION TO ADMIT EVIDENCE

The parties move to admit the following evidence into the record of this proceeding:

- A. Applicants' closing documentation consummating to the completion filed on August 29, 2022 (Interchange Item No. 37);
- B. Commission Staff's recommendation on sufficiency of closing documents filed on September 28, 2022 (Interchange Item No. 40);
- C. Bastrop West and K & K's consent forms filed on October 27, 2022 (Interchange Item

No. 42); and

D. Attached the map, certificate, and tariff.

III. PROPOSED NOTICE OF APPROVAL

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence. The parties also respectfully ask that the attached Proposed Notice of Approval be approved.

IV. CONCLUSION

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

Dated: November 17, 2022

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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Division Director

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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 on November 17, 2022 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Margaux Fox
Margaux Fox

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APPLICATION OF BASTROP WEST	§	PUBLIC UTILITY COMMISSION
WATER SUPPLY AND K & K WATER	§	
COMPANY FOR SALE, TRANSFER,	§	OF TEXAS
OR MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN BASTROP	§	
COUNTY		

PROPOSED ORDER APPROVING SALE AND ALLOWING TRANSACTION TO PROCEED

This Notice of Approval addresses the application of Bastrop West Water Supply (Bastrop West) and K & K Water Company (K & K Water) (collectively, Applicants) for the sale, transfer or merger of facilities and certificate rights in Bastrop County. The Applicants seek approval to sell and transfer all of Bastrop West's facilities, customers, and service area under water Certificate of Convenience and Necessity (CCN) No. 12050 to K & K Water's water CCN No. 11836, the cancellation of Bastrop West' water CCN No. 12050, and the amendment of K & K Water's water CCN No. 11836 to include the facilities and service area previously included in Bastrop West's water CCN No. 12050. The Commission approves the sale and transfer of all water facilities held under Bastrop West's water CCN No. 12050 to K & K Water.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Bastrop West is a sole proprietorship transferred from Clyde (deceased) and Karen Clardy to Paul and Karen Klaus.
2. Bastrop West is an investor owned utility that operates, maintains, and control facilities for providing water service in Bastrop County under CCN No. 12050.
3. Bastrop West owns and operates public water systems registered with the Texas Commission on Environmental Quality (TCEQ) under public water system identification number 0110047.
4. K & K Water is a sole proprietorship owned by Paul and Karen Klaus.
5. K & K Water is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Bastrop County under CCN No. 11836.

6. K & K Water owns and operates a public water system registered with the TCEQ under public water system identification number 0110045.

Application

5. On July 14, 2021, the Applicants filed an application at issue in this proceeding.
6. In this application, Bastrop West and K & K Water seek approval of the sale and transfer of facilities and service area held under Bastrop West's water CCN No. 12050 to K & K Water, cancellation of Bastrop West's water CCN No. 12050, and amend K & K Water's water CCN No. 11836 to include the area previously included in Bastrop West's water CCN No. 12050.
7. Bastrop West filed supplemental information on July 27, 2021, August 11, 2021, August 27, 2021, August 31, 2021, September 3, 2021, October 25, 2021, February 2, 2022, February 17, 2022, April 26, 2022, July 14, 2022, August 16, 2022, and August 29, 2022.
8. The Applicants filed supplemental information on October 27, 2022.
9. In the application, the Applicants seek approval of the following transaction: (a) K & K Water will acquire all of Bastrop West's water facilities, customers, and water service area under water CCN No. 12050; (b) Bastrop West's water CCN No. 12050 will be cancelled; and (c) K & K Water's water CCN No. 11836 will be amended to include the area previously included in Bastrop West's water CCN No. 12050.
10. The requested area comprises approximately 289 acres and 117 current water connections.
11. The requested area is located approximately ten miles west of Bastrop, Texas, and is generally bordered north by State Highway 71, on the east by Pope Bend Road South, on the south by Edmonson Lane, and on the west by Triangle Acres Lane.
12. In Order No. 6 filed on January 10, 2022, the ALJ deemed the application administratively complete.

Notice

13. On February 2, 2022, Bastrop West filed the affidavit of Paul and Karen Klaus, owners of Bastrop West, attesting that notice was mailed to current customers, neighboring utilities, and affected parties on February 1, 2022.
14. On February 17, 2022, Bastrop West filed the affidavit of Paul and Karen Klaus, owners of Bastrop West, attesting that notice was mailed to Bastrop County MUD 2 on February 1 and 17, 2022.

15. The deadline to intervene was March 21, 2022.
16. No motions to intervene, protests, or opt-out requests were filed
17. In Order No. 8 filed on February 28, 2022, the ALJ deemed the notice sufficient.

Evidentiary Record

18. On June 8, 2022, the parties filed a joint motion to admit evidence.
19. In Order No. 11 filed on June 13, 2022, the ALJ admitted the following evidence into the record: (a) the application filed on July 14, 2021; (b) Bastrop West's response to Order No. 1 filed on July 27, 2021; (c) Bastrop West's mapping supplement to the application, filed on August 11, 2021; (d) Bastrop West's Response to Order No. 2, filed on August 27, 2021; (e) Bastrop West's Supplement to the application, filed on August 31, 2021 (f) Bastrop West's financial supplements to the application, filed on September 3, and October 25, 2021; (g) Commission Staff's recommendation on administrative completeness and notice, filed on October 25, 2021; (h) Bastrop West's proof of notice, filed on February 2 and 17, 2022; (i) Commission Staff's recommendation on sufficiency of notice, filed on February 25, 2022; and (j) Commission Staff's recommendation on the transaction and all attachments, filed on May 2, 2022;
20. In Order No. 11 filed on June 13, 2022, the ALJ also admitted, *sua sponte*, the following evidence into the record of this proceeding: (a) Commission Staff's supplemental recommendation on administrative completeness and notice and proposed procedural schedule, filed on January 7, 2022; and (b) Bastrop West's supplement to the application, filed on April 26, 2022.
21. On November 17, 2022, the parties filed a joint motion to admit evidence.
22. In Order No. __ filed on _____, 2022, the ALJ admitted the following additional evidence into the record: (a) the Applicants' closing documentation consummating to the completion filed on August 29, 2022 (Interchange Item No. 37); (b) Commission Staff's recommendation on sufficiency of closing documents filed on September 28, 2022 (Interchange Item No. 40); (c) Bastrop West and K & K's consent forms filed on October 27, 2022 (Interchange Item No.42); and (d) the map, certificate, and tariff attached to the joint motion to admit evidence and joint proposed notice of approval filed on November

17, 2022.

Sale

23. In Order No. 12 filed on June 14, 2022, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had closed, and the customer deposits had been addressed.
24. On August 29, 2022 the Applicants filed notice that the sale had closed on September 18, 2013, and the bill of sale was signed by the transferor and transferee on October 29, 2022.
25. The original application states that there are zero customers with deposits held by the transferee in the transferred service area so there were no outstanding customer deposits that needed to be addressed.
26. In Order No. 14 filed on September 28, 2022, the ALJ found the closing documents sufficient.

Cumulative Recommendation

27. On May 2, 2022, Commission Staff filed its recommendation regarding the transaction in this docket recommending that K & K Water has the financial, managerial, and technical capability to provide continuous and adequate service to all areas included in this docket.

System Compliance

28. The last TCEQ compliance investigation of the Bastrop West water system was on January 27, 2021.
29. Bastrop West has resolved all violations listed in the TCEQ database.
30. The Commission's complaint records, which date back to 2017, show no complaints against Bastrop West.
31. K & K Water does not have any unresolved violations listed in the TCEQ database.
32. The Commission's complaint records, which date back to 2018, show one complaint against K & K Water.
33. The Applicants have demonstrated a compliance status that is adequate for approval of the transaction to proceed.

Adequacy of Existing Service

34. The requested area has approximately 117 current water connections that are currently served by Bastrop West through TCEQ-approved public water system identification number 0110047, and such service has been continuous and adequate.
35. No additional construction is necessary for K & K Water to serve the requested area.

Need for Additional Service

36. There are 117 existing customers in the requested area that have an ongoing need for water service.
37. There is an application to transfer only existing facilities, customers, and service area. There have been no specific requests for additional service within the requested area.

Effect of Approving the Transaction and Granting the Amendment

38. Approving the sale and transfer to proceed and granting the CCN amendment will obligate K & K Water to provide continuous and adequate water service to current and future customers in the requested area.
39. Because this application is to transfer existing facilities, customers, and certificated service area, there will be no effect on any other retail public utility in the proximate area.
40. Existing customers and landowners in the requested area will not be affected because they are in an area that is currently certificated.
41. The customers' rates in Bastrop West will not change from the previously approved rates upon the consummation of this transaction.
42. The customers' rates in K & K Water will not change from the previously approved rates upon the consummation of this transaction.
43. K & K Water will adopt Bastrop West's current rates into K & K Water's tariff upon the consummation of the transaction.

Ability to Serve; Managerial and Technical

44. K & K Water owns and operates a public water system registered with TCEQ and does not have any active violations listed in the TCEQ database. The Commission's complaint records, which date back to 2017, show one complaint against K & K Water.
45. K & K Water has access to an adequate supply of water and is capable of providing drinking water that meets the requirements of Chapter 341, Health and Safety Code, and the requirements of the TWC.

46. K & K Water will employ or contract with TCEQ-licensed water operators who will operate the public water system.
47. K & K Water has been operating Bastrop West's public water system since February 1, 2012.
48. No additional construction is necessary for K & K Water to provide service to the requested area.
49. K & K Water has the managerial and technical capability to provide continuous and adequate service in the requested area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

50. Bastrop West is currently serving customers in the requested area.
51. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed. At a minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility.
52. It is not feasible to obtain service from an adjacent retail public utility.

Ability to Serve; Financial Ability and Stability

53. K & K Water's owners, Paul and Karen Klaus, have a consolidated debt-to-equity ratio of less than one, therefore, through its owners, K & K Water satisfies the leverage test.
54. K & K Water's owners, Paul and Karen Klaus, provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the transaction and possesses the cash and leverage ability to pay for capital improvements and necessary equity investments, therefore through its owners, K & K Water satisfies the operations test.
55. K & K Water has demonstrated the financial capability and stability to provide continuous and adequate service to the requested area.

Financial Assurance

56. There is no need to require K & K Water to provide a bond or other financial assurance to ensure continuous and adequate service to the requested area.

Environmental Integrity

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

Improvement in Service or Lowering Cost to Consumers

58. K & K Water will continue to provide water service to existing customers in the requested area.
59. The rates charged to customers in the requested area will not change because K & K Water will adopt the tariff for Bastrop West's water system.
60. The customers' rates in Bastrop West will not change from the previously approved rates upon the consummation of this transaction.
61. The customers' rates in K & K Water will not change from the previously approved rates upon the consummation of this transaction.
62. Reliability and quality of water service is expected to improve under K & K Water's management.

Regionalization or Consolidation

63. Concerns of regionalization or consolidation with another retail public utility do not apply because construction of a physically separate water system is not needed for K & K Water to provide service to the requested area.

Tariffs, Maps, and Certificates

64. On October 26, 2022, Commission Staff emailed to the applicants the final proposed map, certificate, and tariff related to this docket.
65. On October 27, 2022, the Applicants filed their consent forms concurring with the proposed final map, certificate, and tariff.
66. The final map, certificate, and tariff, were included as attachments to the joint motion to admit evidence, filed on November 17, 2022.

Informal Disposition

67. More than 15 days have passed since the completion of notice provided in this docket.
68. No person filed a protest or motion to intervene.

69. Bastrop West, K & K Water, and Staff are the only parties to this proceeding.
70. No party requested a hearing, and no hearing is needed.
71. Staff recommended approval of the application.
72. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under (Texas Water Code) TWC §§ 13.041, 13.241, 13.244, 13.246, 13.251, and 13.301.
2. The Applicants provided notice of the application in compliance with TWC § 13.301(a) and 16 TAC § 24.239(a) through (c).
3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission Rules.
4. The Applicants have complied with the requirements of 16 TAC § 24.239(k) with respect to customer deposits.
5. The Applicants completed the sale within the time frame required by 16 TAC § 24.239(m).
6. After consideration of the factors in TWC § 13.246(c), K & K Water demonstrated adequate financial, managerial, and technical capability to provide adequate and continuous service to the requested area as required by TWC §§ 13.241 and 13.301(b) and 16 TAC § 24.239.
7. The Applicants have demonstrated that transferring Bastrop West's facilities and water service area under CCN number 12050 from Bastrop West to K & K Water will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC.
8. It is not necessary for K & K Water to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).

¹ Tex. Gov't Code §§ 2001.001-.903.

9. K & K Water must record a certified copy of its certificate granted and map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Bastrop County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording as required by TWC § 13.257(r) and (s).
10. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.
11. Bastrop West and K & K Water have demonstrated that the sale and transfer of the facilities, service area, and CCN number 12050 from Bastrop West to K & K Water is necessary for the service, accommodation, convenience, and safety of the public. TWC § 13.301(d) and (e).

III. Ordering Paragraphs

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

1. The Commission approves the sale and transfer of all water facilities held under Bastrop West's water CCN number 12050 to K & K Water.
2. The Commission amends K & K Water's CCN number 11836 to include the facilities and area previously listed in Bastrop West's CCN number 12050, as described in this Notice of Approval and as shown on the attached map.
3. The Commission cancels Bastrop West's CCN number 12050.
4. The Commission approves the map and tariff attached to the Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. K & K Water must provide service to every customer or applicant for service within the approved area under water CCN number 11836 that requests service and meets the terms of K & K Water's water service policies, and such service must be continuous and adequate.

7. K & K Water must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Bastrop County affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of the Notice of Approval.
8. Within ten days of the date of the Notice of Approval, Commission Staff must provide a clean copy of the tariff approved by this Notice of Approval to central records to be marked *Approved* and filed in the Commission's tariff books.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

SIGNED AT AUSTIN, TEXAS, on the _____ day of _____, 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

ADMINISTRATIVE LAW JUDGE



Public Utility Commission of Texas

By These Presents Be It Known To All That

K & K Water Company

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, K & K Water Company is entitled to this

Certificate of Convenience and Necessity No. 11836

to provide continuous and adequate water utility service to that service area or those service areas in Bastrop County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 52317 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 K & K Water Company 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.



WATER UTILITY TARIFF

Docket Number 52317

K & K Water Company.
(Utility Name)

231 Mandy Lane
(Business Address)

Red Rock, Texas 78662
(City, State, Zip Code)

(512) 629-5717
(Area Code/Telephone)

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

11836

This tariff is effective in the following county:

Bastrop

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

None

This tariff is effective in the following subdivisions or systems:

Red Rock Acres Subdivision (PWS 0110045), Bastrop West Water Supply, PWS ID #0110047

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

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SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Sizes

5/8" x 3/4"

Monthly Minimum Charge

\$21.00 (Includes 0 gallons)

Gallage Charge

\$3.15 per 1000 gallons, 0 – 10,000 gallons

\$3.41 per 1,000 gallons, 10,001 – 20,000 gallons

\$3.68 per 1,000 gallons, 20,001 gallons thereafter

FORM OF PAYMENT: THE UTILITY WILL ACCEPT THE FOLLOWING FORM(S) OF PAYMENT

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

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

REGULATORY ASSESSMENT.....1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$750.00

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

TAP FEE (Large meter).....Actual Cost

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

METER RELOCATION FEEACTUAL COST TO RELOCATE METER 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) Non-payment of bill (Maximum \$25.00)\$25.00

b) Customer's request that service be disconnected\$50.00

SECTION 1.0 - RATE SCHEDULE (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).....\$5.00

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 DEPOSIT1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0 – RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes <u>0</u> gallons all meters)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$16.00</u>	<u>\$2.50</u> per 1,000 gallons, 10,000 gallons
1"	<u>\$19.00</u>	<u>\$2.90</u> per 1,000 gallons for 10,001 gallons to 20,000 gallons <u>\$3.15</u> per 1,00 gallons thereafter

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

Cash X, Check X, Money Order X, Credit Card , Other (specify)
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

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

Section 1.02 – Miscellaneous Fees

TAP FEE \$500.00
 TAP FEE COVERS THE UTILITY'S COST FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION OF 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.

LARGE METER TAP FEE Actual Cost
 TAP FEE IS BASED ON 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 RELOCATION OF AN EXISTING METER.

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. THIS FEE MAY NOT EXCEED \$25.00.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill (Maximum \$25.00) \$25.00
 - b) Customer's request \$25.00
- or other reasons listed under Section 2.0 of this tariff

SECTION 1.0 - RATE SCHEDULE (Continued)

TRANSFER FEE.....\$15.00
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)\$5.00
A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE\$25.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

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

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 3.02 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 Water Service

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

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

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

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

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

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

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

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

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

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, 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 must install and maintain a cutoff valve on their side of the meter.

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

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

Section 2.06 - Customer Service Inspections

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

Section 2.07 - Back Flow Prevention Devices

All non-residential customers requiring a greater than 1" meter or any customer with irrigation or firefighting systems, must install back flow prevention devices which have been approved by the utility or its consulting engineers on each of their customer service lines.

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.

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.

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

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

Section 2.09 – Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 – Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. 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

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

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 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 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

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

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

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

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 customer 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.

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

Exceptions may be granted by the TCEQ if:

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

If an exception is granted, 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.

The utility shall bear the cost of any over-sizing of water distribution lines or wastewater collection lines necessary to serve other potential service applicants for customers in the immediate area.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated 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

SECTION 3.0 - EXTENSION POLICY (Continued)

providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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

Section 3.02 - Costs Utilities Shall Bear

The utility will bear the full cost of any oversizing 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.

Within its certificate 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 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.

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 3.03 - 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 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.

SECTION 3.0 - EXTENSION POLICY (Continued)

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(c). 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), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

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

Section 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

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

SECTION 3.0 - EXTENSION POLICY (Continued)

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. The tap request must be accompanied with 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. 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 necessary easements and rights-of-way necessary 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 certificated 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 -- APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)

K & K Water Company
Portion of Water CCN No. 11836
PUC Docket No. 52317
Transferred all of Bastrop West Water Supply, CCN No. 12050 in Bastrop County



Water CCN

-  11836 - K & K Water Company
-  10294 - Aqua WSC

0 625 1,250
Feet

