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DOCKET NO. 52852

APPLICATION OF TERRA	§	PUBLIC UTILITY COMMISSION
SOUTHWEST, INC. AND UNDINE	§	
TEXAS, LLC FOR SALE, TRANSFER,	§	OF TEXAS
OR MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN DENTON	§	
COUNTY	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Terra Southwest, Inc. and Undine Texas, LLC for approval of the sale, transfer, or merger of facilities and certificate rights in Denton County. The Commission approves the following: (1) the sale and transfer to Undine Texas of all facilities held by Terra Southwest located within 1,321 acres of service area of Terra Southwest's certificate of convenience and necessity (CCN) number 11608, within 0.4 acres of uncertificated service area, and within 18 acres of service area of the Town of Little Elm's CCN number 11202; (2) the sale and transfer of all certificated service area under Terra Southwest's CCN number 11608 to Undine Texas; (3) the amendment of Undine Texas' CCN number 13260 to include all facilities previously held by Terra Southwest and the service area previously included in Terra Southwest's CCN number 11608; (4) the cancellation of Terra Southwest's CCN number 11608; (5) the amendment of Undine Texas' CCN number 13260 to add 0.4 acres of uncertificated area; and (6) the amendment of Undine Texas' CCN number 13260 to add 18 acres of area in Denton County that are singly certificated under Little Elm's CCN number 11202.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Terra Southwest is a Texas corporation registered with the Texas secretary of state under filing number 039190300.
2. Terra Southwest holds CCN number 11608 which obligates it to provide retail water service in its certificated service area in Denton County.
3. Terra Southwest owns public water systems registered with the Texas Commission on Environmental Quality (TCEQ) as follows: (1) the East Ponder Estates public water

system, under TCEQ identification number TX0610161; and (2) the Hilltown Addition public water system, under TCEQ identification number TX0610112.

4. Undine Texas is a Delaware limited liability company registered with the Texas secretary of state under filing number 802339329.
5. Undine Texas holds CCN number 13260, which obligates it to provide retail water service in its certificated service area in Brazoria, Brazos, Burleson, Chambers, Fort Bend, Harris, Jackson, Johnson, Liberty, Matagorda, Montgomery, Polk, Robertson, San Jacinto, Tarrant, Tyler, and Walker counties.

Application

6. On November 16 and 17, 2021, Terra Southwest and Undine Development, LLC filed an application for approval of the sale, transfer or merger of facilities and certificate rights in Denton County.
7. On August 26, 2022, the application was amended to replace Undine Development, LLC with Undine Texas as the applicant.
8. The applicants filed supplemental information on December 13, 2021, January 24, April 29, June 14, August 29, September 7, 8, 15, 17 and 23, 2022, February 15, 16, 17, and 21, and June 19 and 27, 2023.
9. In the application, as amended and supplemented, Terra Southwest and Undine Texas seek approval of the following:
 - a. the sale and transfer to Undine Texas of all facilities held by Terra Southwest located within 1,321 acres of service area of Terra Southwest's CCN number 11608, within 0.4 acres of uncertificated service area, and within 18 acres of service area of the Town of Little Elm's CCN number 11202;
 - b. the sale and transfer of all certificated service area under Terra Southwest's CCN number 11608 to Undine Texas;
 - c. the amendment of Undine Texas' CCN number 13260 to include all facilities previously held by Terra Southwest and the service area previously included in Terra Southwest's CCN number 11608;
 - d. the cancellation of Terra Southwest's CCN number 11608;

- e. the amendment of Undine Texas' CCN number 13260 to add 0.4 acres of uncertificated area; and
 - f. the amendment of Undine Texas' CCN number 13260 to add 18 acres of area in Denton County that are singly certificated under Little Elm's CCN number 11202.
10. The total requested area includes 1,339.4 acres and 867 current customers.
11. The requested area is composed of the following:
- a. East Ponder Estates. 453 acres of certificated area that is singly certificated under Terra Southwest's CCN number 11608. The East Ponder Estates requested area is located approximately eight miles southwest of downtown Denton, Texas, and is generally bounded on the north by H. Lively Road; on the east by Ed Robson Boulevard, on the south by a line approximately 0.25 miles south of and parallel to Seaborn Road; and on the west by Florance Road.
 - b. Hilltown Addition. Approximately 868 acres of certificated area that is singly certificated under Terra Southwest's CCN number 11608, 0.4 acres of uncertificated area, and 18 acres of certificated area that is singly certificated under Little Elm's CCN number 11202. The Hilltown Addition requested areas are located approximately nine miles east-southeast of downtown Denton, Texas, and is generally bounded on the north by Martingale Trail and Shahan Prairie Road; on the east by Shahan Prairie Road and Lewisville Lake; on the south by Lewisville Lake and Farm-to-Market Road 710; and on the west by Lewisville Lake and Yacht Club Road.
12. In Order No. 5 filed on January 18, 2022, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.
13. In Order No. 16 filed on September 1, 2022, the ALJ withdrew Order No. 5's finding of administrative completeness.
14. In Order No. 17 filed on September 29, 2022, the ALJ found the application, as amended and supplemented, administratively complete.

Notice

15. On February 3, 2022, the applicants filed the affidavit of Carey A. Thomas, senior vice president for Undine Development, attesting that notice was mailed to current customers, landowners, neighboring utilities, and affected parties on February 1, 2022. Attached to the affidavit were copies of the notice and map provided by the applicants.
16. On March 10, 2022, the applicants confidentially filed the list of recipients for the notice.
17. On March 14, 2022, the applicants filed a publisher's affidavit attesting to the publication of notice in the *Denton Record-Chronicle*, a newspaper of general circulation in Denton County, on March 6 and 13, 2022.
18. In Order No. 7 filed on March 24, 2022, the ALJ found notice sufficient.
19. In Order No. 20 filed on December 20, 2022, the ALJ required revised notice of the application.
20. On February 22, 2023, the applicants filed the affidavit of Mr. Thomas, senior vice president of Undine Texas, attesting that notice was provided to current customers, landowners, neighboring utilities, and affected parties on February 9, 2023. Attached to the affidavit were copies of the notice and map provided by the applicants, and a confidential list of recipients for the notice.
21. On March 2, 2023, the applicants filed a publisher's affidavit attesting to the publication of notice in the *Denton Record-Chronicle*, a newspaper of general circulation in Denton County, on February 12 and 19, 2023.
22. In Order No. 24 filed on March 27, 2023, the ALJ found the revised notice sufficient.
23. On June 8, 2023, the applicants filed the affidavit of Mr. Thomas attesting that there are no landowners with a tract of land that is at least 25 acres and is wholly or partially included in the requested area.
24. On June 12, 2023, the applicants filed the affidavit of Vance Tillman, chief financial officer of Undine Texas, attesting that supplemental notice, including maps, was provided on June 1, 2023, to current customers and affected parties in the Oak Point, Wellington Trace, and Gates at Waters Edge subdivisions, which are served by Terra Southwest's Hilltown Addition public water system.

25. In Order No. 28 filed on July 12, 2023, the ALJ found the revised notice, as supplemented, sufficient.

Intervention

26. In Order No. 2 filed on December 7, 2021, the ALJ denied Central States Water Resources, Inc.'s motion to intervene.
27. In Order No. 8 filed on May 12, 2022, the ALJ denied Central States Water Resources' renewed motion to intervene.

Evidentiary Record

28. In Order No. 29 filed on July 12, 2023, the ALJ admitted the following evidence into the record of this proceeding:
- a. The application and all attachments filed on November 16, 2021;
 - b. The confidential attachments to the application filed on November 17, 2021;
 - c. Terra Southwest's notice of appearance filed on November 19, 2021;
 - d. Terra Southwest and Undine Development's response to Order No. 1 filed on November 22, 2021;
 - e. Supplemental mapping filed on December 13, 2021;
 - f. Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on January 18, 2022;
 - g. The supplement to the application filed on January 24, 2022;
 - h. Undine Development's response to Order No. 5 filed on February 3, 2022;
 - i. Undine Development's supplemental response to Order No. 5 filed on February 17, 2022;
 - j. Undine Development's response to Order No. 6 filed on March 10, 2022;
 - k. Undine Development's supplemental response to Order No. 2 filed on March 14, 2022;
 - l. Undine Development's second supplemental response to Order No. 2 filed on March 22, 2022;

- m. The supplement to application filed on April 29, 2022;
- n. The confidential supplement to the application filed on June 14, 2022;
- o. The supplemental information filed on June 14, 2022;
- p. The joint request for abatement filed on June 24, 2022;
- q. Commission Staff's status update filed on July 18, 2022;
- r. The status report filed on July 18, 2022;
- s. Commission Staff's clarification filed on July 29, 2022;
- t. The second status report filed on August 1, 2022;
- u. Commission Staff's status report filed on August 8, 2022;
- v. Commission Staff's status report filed on August 15, 2022;
- w. The amended application filed on August 26 and 29, 2022;
- x. Commission Staff's status report filed on August 31, 2022;
- y. The applicants' supplement to the amended application filed on September 7, 2022;
- z. Supplemental mapping filed on September 15, 2022;
- aa. Undine Texas' supplement to the amended application filed on September 17, 2022;
- bb. Undine Texas' supplement to the amended application filed on September 23, 2022;
- cc. Commission Staff's recommendation on administrative completeness, rates, notice and proposed procedural schedule filed on September 28, 2022;
- dd. Undine Texas' response to Order No. 17 filed on November 1, 2022;
- ee. Commission Staff's recommendation on the transaction filed on November 30, 2022;
- ff. Undine Texas' response to Commission Staff's recommendation filed on December 1, 2022;

- gg. Undine Texas' supplement to the amended application filed on February 15, 2023;
- hh. Undine Texas' confidential exhibit A to the supplement to the application filed on February 16, 2023;
- ii. Undine Texas' supplement to the application and confidential exhibit A filed on February 17, 2023;
- jj. Commission Staff's clarification filed on February 17, 2023;
- kk. Undine Texas' clarification filed on February 17, 2023;
- ll. Undine Texas' confidential attachment A to Undine Texas' clarification filed on February 21, 2023;
- mm. Commission Staff's clarification update filed on February 21, 2023;
- nn. Undine Texas' response to Order No. 23 filed on February 22, 2023;
- oo. Undine Texas' supplemental response to Order No. 23 filed on March 2, 2023;
- pp. Commission Staff's recommendation on revised notice filed on March 24, 2023;
- qq. Commission Staff's recommendation on the transaction including the attached tariff, certificate, map, and attachments 1, 2, and EB-1 filed on April 20, 2023;
- rr. Undine Texas' response to Commission Staff's recommendation filed on April 24, 2023;
- ss. Undine Texas' response to Order No. 26 and all attachments filed on June 8, 2023;
- tt. Undine Texas' supplement to the amended application with public Exhibit A, including confidential attachment filed on June 12, 2023;
- uu. Commission Staff's recommendation on supplemental notice filed on June 15, 2023;
- vv. Applicant's supplemental information including a confidential attachment filed on June 19, 2023;
- ww. Applicant's supplemental information filed on June 27, 2023; and

- xx. Commission Staff's comments on supplemental filings including a confidential attachment filed on June 30, 2023.
29. In Order No. 32 filed on November 6, 2023, the ALJ admitted the following evidence into the record of this proceeding:
- a. Applicants' notice of completed transaction filed on August 4, 2023;
 - b. Commission Staff's recommendation on closing documents and proposed procedural schedule filed on August 21, 2023;
 - c. Terra Southwest's consent form filed on September 29, 2023;
 - d. Undine Texas' consent form filed on September 29, 2023; and
 - e. The final maps, certificate and tariff as attached to the corrected joint motion to admit evidence filed on October 12, 2023.

Sale

30. In Order No. 30 filed on July 12, 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.
31. On August 4, 2023, the applicants filed proof that the sale had closed, effective August 1, 2023, and confirmed that Terra Southwest did not hold any customer deposits.
32. In Order No. 31 filed on September 5, 2023, the ALJ found the closing documents sufficient.

Purchaser's Compliance History

33. The Commission's complaint records, which date back to 2017, show 133 informal complaints against Undine Texas. The Commission's Customer Protection Division has evaluated and closed 130 complaints at this time. The three open complaints were received in April 2023.
34. Undine Texas has been subject to enforcement actions by the Commission, the TCEQ, the Texas Department of State Health Services, the Texas Office of the Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or statutes.

35. Undine Texas is actively working on resolving the violations that have been identified by the TCEQ at each of their water and sewer systems.
36. Undine Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
37. Undine Texas has demonstrated a compliance status that is adequate for approval of the transaction to proceed.

Adequacy of Existing Service

38. There are currently 867 connections in the requested area that are being served by Terra Southwest through public water system numbers TX0610161 and TX0610112 and such service has been continuous and adequate.
39. Terra Southwest's public water systems are registered with the TCEQ.
40. The last TCEQ compliance investigation of Terra Southwest's East Ponder Estates public water system was on July 1, 2019. There are no violations associated with the East Ponder Estates public water system in the TCEQ database.
41. Terra Southwest's Hilltown Addition system has active violations associated with it in the TCEQ's database. Undine Texas plans to make upgrades that will address the violations.
42. The Commission's complaint records, which date back to 2017, show 53 informal complaints against Terra Southwest. All the complaints have been closed by the Commission's Customer Protection Division.
43. Capital improvements are necessary for Undine Texas to continue providing continuous and adequate service to the requested area.
44. There is no evidence in the record that Terra Southwest has failed to comply with any Commission or TCEQ order.

Need for Additional Service

45. There are 867 existing customer connections in the requested area that are receiving service from Terra Southwest and have an ongoing need for service.
46. The requested area includes uncertificated area with existing facilities owned by Terra Southwest and existing customers served by Terra Southwest.

Effect of Approving the Transaction and Granting the Amendments

47. Undine Texas will be the sole certificated water utility for 1,321.4 acres of the requested area.
48. The remaining 18 acres of the requested area will be dually certificated to Undine Texas and Little Elm.
49. Undine Texas will be required to provide continuous and adequate water service to current and future customers in the requested area.
50. Landowners in the dually certificated area will be able to obtain water service from Undine Texas or Little Elm.
51. All retail public utilities in the proximate area were provided notice of the application, and no protests or adverse comments were filed.
52. Little Elm consented in writing to dual certification.
53. With the exception of the partial dual certification with Little Elm, there will be no effect on any retail public utility providing service in the proximate area.

Ability to Serve: Managerial and Technical

54. Undine Texas owns and operates numerous TCEQ-registered public water systems in Texas.
55. Undine Texas employs TCEQ-licensed operators who will be responsible for operation of the public water systems being transferred.
56. Undine Texas has the technical and managerial capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

57. Terra Southwest is currently serving customers throughout the requested area, and such service has been continuous.
58. 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 to connect to a neighboring retail public utility.
59. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

60. It will not be necessary for Undine Texas to construct a physically separate water system to serve the requested area.
61. Because the requested area will not require the construction of a physically separate water system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability and Stability

62. Undine Group, LLC, an affiliate of Undine Texas, is capable, available, and willing to cover temporary cash shortages and has a debt-to-equity ratio that is less than one. Therefore, Undine Texas has satisfied the leverage test.
63. Undine Group provided a written guarantee of coverage of temporary cash shortages and has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the transaction. Therefore, Undine Texas has satisfied the operations test.
64. Undine Texas is proposing to make capital improvements in excess of \$100,000 to the East Ponder Estates and Hilltown Addition water systems.
65. Undine Texas submitted loan approval documents indicating funds are available for the purchase of the public water systems plus the planned capital improvements necessary to provide continuous and adequate service to the existing customers.
66. Undine Texas demonstrated has demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

67. There is no need to require Undine Texas to provide a bond or other financial assurance to ensure continuous and adequate service to the requested areas.

Environmental Integrity and Effect on the Land

68. The environmental integrity and effect on the land will be temporary as capital improvements are made for Undine Texas to continue providing service to the requested area.

Improvement of Service or Lowering Cost to Consumers

- 69. Undine Texas will continue to provide water service to Terra Southwest's existing customers in the requested area.
- 70. Reliability and quality of water service is expected to improve under Undine Texas' management.
- 71. Undine Texas requested authorization to charge the customers served by the public water systems being acquired its rates that are currently in force, which were approved in Docket No. 50200.¹
- 72. Rates for customers in the requested area will be higher than the rates currently charged by Terra Southwest because Undine Texas will charge its current water utility tariff's rates.

Maps, Tariff, and Certificate

- 73. On September 21 and 29, 2023, Commission Staff emailed Terra Southwest and Undine Texas the final proposed maps, tariff, and certificate related to this docket.
- 74. On September 29, 2023, Terra Southwest filed its consent to the proposed final maps.
- 75. On September 29, 2023, Undine Texas filed its consent to the proposed final maps, tariff, and certificate.
- 76. On October 12, 2023, the parties filed the proposed final maps, tariff, and certificate as attachments to the joint motion to admit evidence.

Informal Disposition

- 77. More than 15 days have passed since the completion of notice provided in this docket.
- 78. Terra Southwest, Undine Texas, and Commission Staff are the only parties to this proceeding.
- 79. No party requested a hearing and no hearing is needed.
- 80. Commission Staff recommended approval of the application.
- 81. This decision is not adverse to any party.

¹ *Application of Undine Texas, LLC and Undine Texas Environmental, LLC for Authority to Change Rates*, Docket No. 50200, Order (Nov. 5, 2020).

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, 13.301, and 13.3011.
2. Terra Southwest and Undine Texas are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Terra Southwest and Undine Texas provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2), and 16 TAC §§ 24.235 and 24.239(b).²
4. Terra Southwest and Undine Texas' application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.227 and 24.233.
5. The Commission processed this application as required by the TWC, the Administrative Procedure Act,³ and Commission rules.
6. Terra Southwest and Undine Texas complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Terra Southwest and Undine Texas completed the sale and transfer within the time required by 16 TAC § 24.239(m).
8. After consideration of the factors in TWC § 13.246(c), Undine Texas demonstrated it is capable of rendering continuous and adequate service to every customer within the requested area, as required by TWC § 13.251.
9. Undine Texas demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area as addressed in TWC §§ 13.241(a) and 13.301(b).
10. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water system is not required.

² 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.

³ Tex. Gov't Code §§ 2001.001–.903.

11. It is not necessary for Undine Texas to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
12. Undine Texas' request to charge customers of Terra Southwest its rates that were in force at the time its application was filed meets the requirements of TWC § 13.3011.
13. Terra Southwest and Undine Texas demonstrated that the sale of Terra Southwest's water facilities and the transfer of the service area under CCN number 11608 to Undine Texas, the cancellation of Terra Southwest's CCN number 11608, and the amendment of Undine Texas' CCN number 13260 will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public as required by TWC § 13.301(d) and (e).
14. Under TWC § 13.257(r) and (s), Undine Texas must record a certified copy of the certificate and the maps approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Denton County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording.
15. The requirements for informal disposition under TAC 16 § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

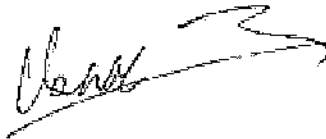
In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the sale and the transfer of Terra Southwest's facilities, customers, and certificated service area under CCN number 11608 to Undine Texas, as shown on the attached maps.
2. The Commission amends Undine Texas' CCN number 13260 to include the facilities and areas previously included in Terra Southwest's CCN number 11608, as shown on the attached maps.
3. The Commission amends Undine Texas' CCN number 13260 to add 0.4 acres of uncertificated area and 18 acres of area that are singly certificated under Little Elm's CCN number 11202, as shown on the attached maps.

4. The Commission cancels Terra Southwest's CCN number 11608.
5. The Commission approves the maps and tariff attached to this Notice of Approval.
6. The Commission issues the certificate attached to this Notice of Approval.
7. Undine Texas must provide service to every customer or qualified applicant for service within the approved areas under CCN number 13260 that requests water service and meets the terms of Undine Texas' water service policies, and such service must be continuous and adequate.
8. Undine Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Denton 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.
9. Within ten days of the date this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of Undine Texas' water tariff to be stamped *Approved* and retained by Central Records.
10. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 6th day of November 2023.

PUBLIC UTILITY COMMISSION OF TEXAS



**ISAAC TA
ADMINISTRATIVE LAW JUDGE**



Public Utility Commission of Texas

By These Presents Be It Known To All That

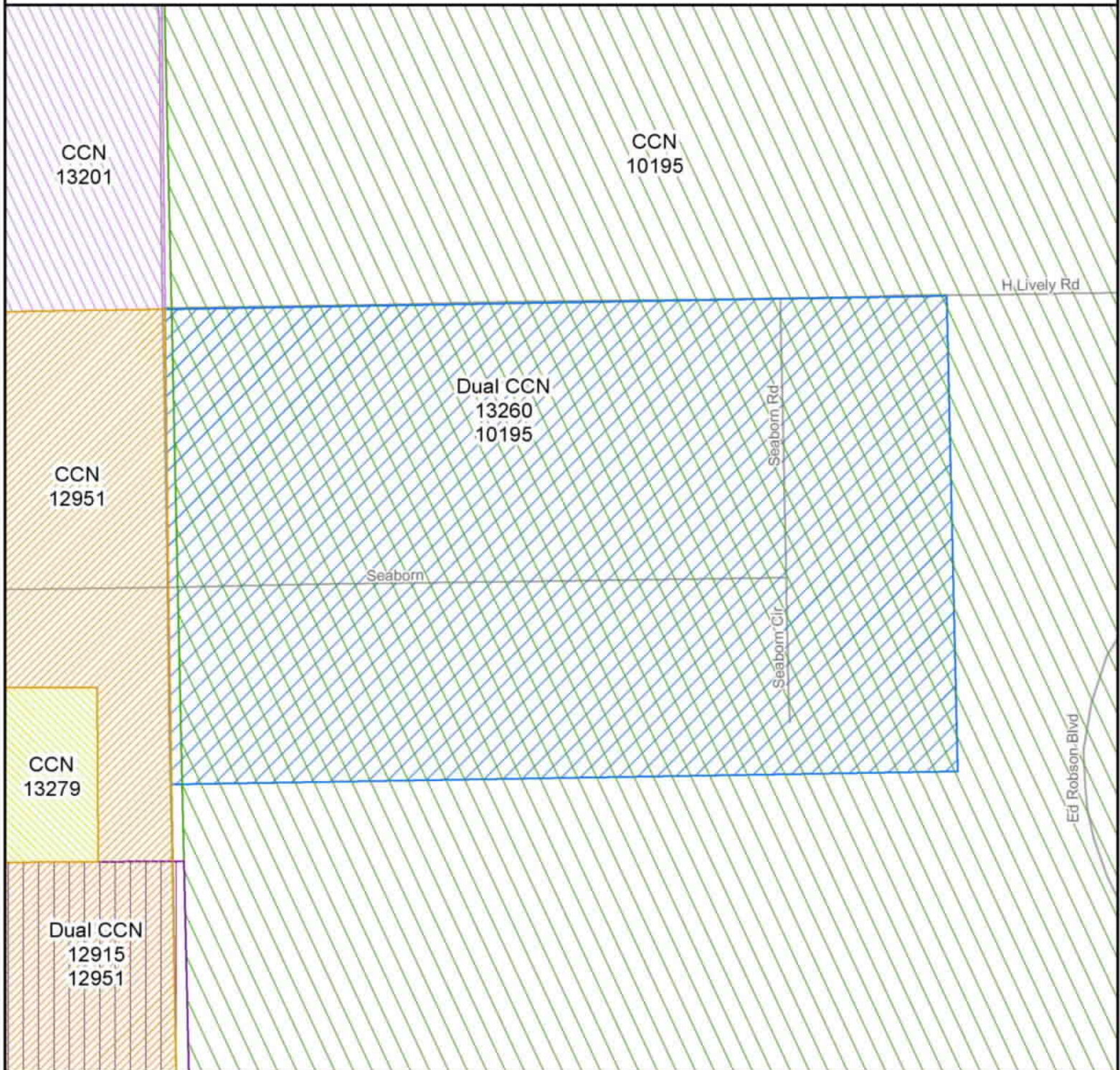
Undine Texas, LLC

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, Undine Texas, LLC is entitled to this

Certificate of Convenience and Necessity No. 13260





to provide continuous and adequate water utility service to that service area or those service areas in Brazoria, Brazos, Burleson, Chambers, Denton, Fort Bend, Harris, Jackson, Johnson, Liberty, Matagorda, Montgomery, Polk, Robertson, San Jacinto, Tarrant, Tyler, and Walker counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 52852 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Undine Texas, 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. 52852
Undine Texas, LLC
Portion of Water CCN No. 13260
Transferred all of Terra Southwest, Inc., CCN No. 11608 in Denton County



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

Water CCN

-  13260 - Undine Texas LLC
-  10195 - City of Denton
-  13201 - Aqua Texas Inc
-  12951 - Town of Ponder

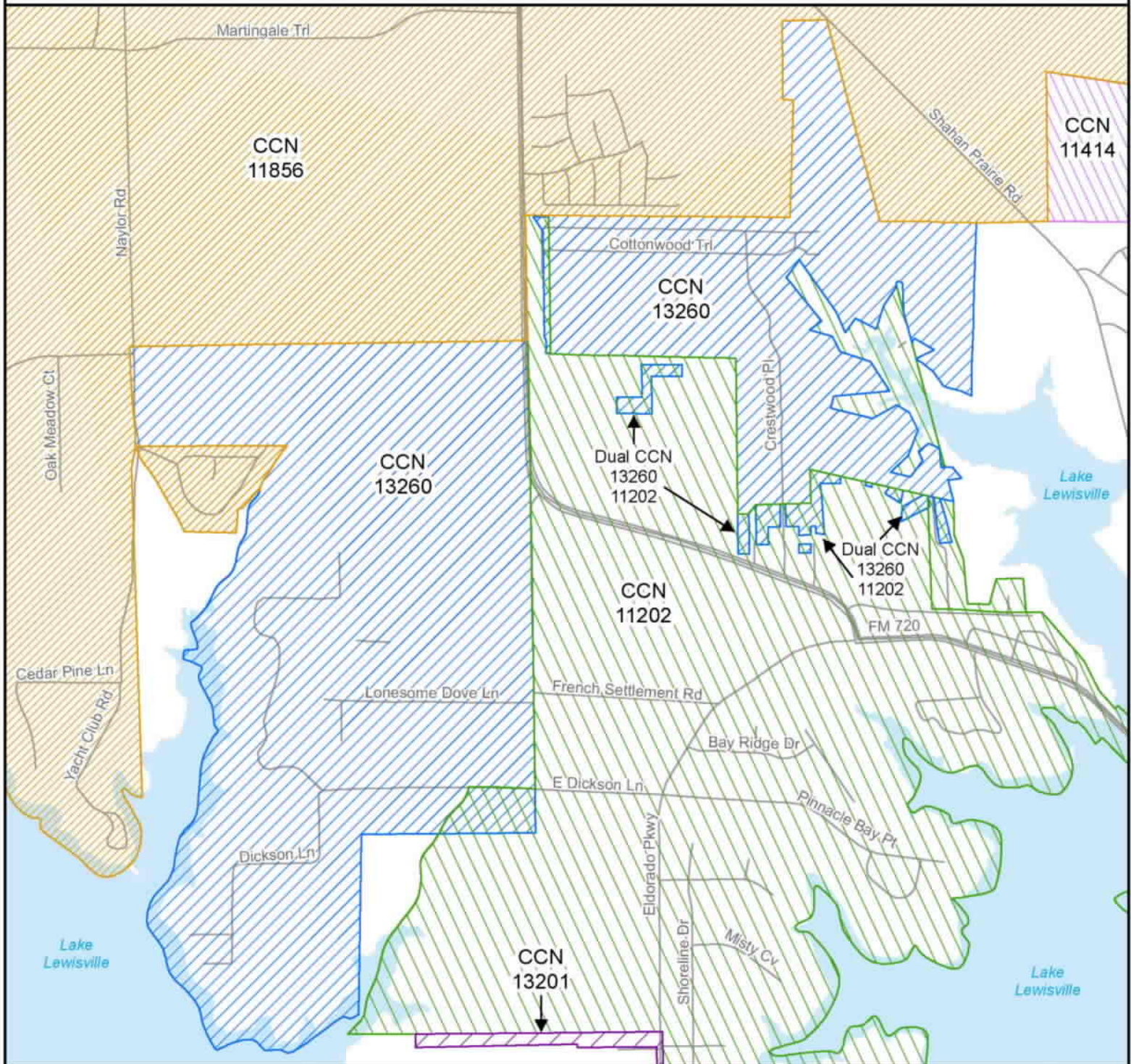
-  13279 - Lone Star Water Company
-  12915 - Town of Northlake





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Feet



Map by: Komal Patel
Date: September 5, 2023
Project: 52852UndineMap1.mxd
Map 1 of 2

PUCT Docket No. 52852
 Undine Texas, LLC
 Portion of Water CCN No. 13260
 Transferred all of Terra Southwest, Inc., CCN No. 11608 and
 Obtained Dual Certification with Town of Little Elm, CCN No. 11202 in Denton County



Water CCN

-  13260 - Undine Texas LLC
-  11202 - Town of Little Elm
-  11856 - Mustang SUD

-  11414 - Knob Hill Water System
-  13201 - Aqua Texas Inc



WATER UTILITY TARIFF

Docket No. 52852

Undine Texas, LLC
(Utility Name)

17681 Telge Rd.
(Business Address)

Cypress, Texas 77429
(City, State, Zip Code)

(713) 574-5953
(Area Code/Telephone)

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

13260

This tariff is effective in the following counties:

Brazoria, Brazos, Burleson, Chambers, Denton, Fort Bend, Harris, Jackson, Johnson, Liberty, Matagorda, Montgomery, Polk, Robertson, San Jacinto, Tarrant, Tyler, and Walker

This utility provides service in the following cities or unincorporated towns (if any):

City of Manvel (Brandi Estates),
City of Iowa Colony (Magnolia Bend formerly Kucera Farms, Spring Crossing, and
288 Business Park)
City of Beach City
Kenefick (Pure Utilities Riverboat Bend Subdivision)

“The rates set or approved by the cities for the systems within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the Public Utility Commission of Texas and will have to be obtained from the city or utility.”

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

See attached list

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	8
SECTION 2.0 – SERVICE RULES AND POLICIES	29
SECTION 3.0 – EXTENSION POLICY	35
APPENDIX A – DROUGHT CONTINGENCY PLAN	
APPENDIX B – SAMPLE SERVICE AGREEMENT	
APPENDIX C – APPLICATION FOR SERVICE	

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Orbit Systems Inc.)

System Name	PWS ID No.	County
723 Utility/Riverside Ranch Subdivision	0790425	Fort Bend
Angle Acres Water System	0200244	Brazoria
Bayou Colony Subdivision	0200358	Brazoria
Beechwood Subdivision	0200245	Brazoria
Bernard Oaks Subdivision	0200338	Brazoria
Blue Sage Gardens Subdivision	0200323	Brazoria
Brandi Estates *	0200325	Brazoria
Briar Meadows	0200410	Brazoria
Colony Cove	0200324	Brazoria
Colony Trails	0200604	Brazoria
Coronado Country	0200275	Brazoria
Country Acres Estates	0200274	Brazoria
Country Meadows	0200273	Brazoria
Crystal Lake Estates	0790510	Fort Bend
Demi-John Place Water System	0200185	Brazoria
Demi-John Island Water System	0200234	Brazoria
Larkspur Subdivision	0200339	Brazoria
Lee Ridge	0200506	Brazoria
Los Robles Subdivision, formerly Brazos Oaks Subdivision	0200639	Brazoria
Mark V Estates	0200432	Brazoria
Mooreland	0200094	Brazoria
Quail Valley Ranches Sec. IV	0200592	Brazoria
Riverside Estates	0200058	Brazoria
Rosharon Road Estates	0200346	Brazoria
Ryan Long I	0200110	Brazoria
Ryan Long II	0200108	Brazoria
San Bernard River Estates	0200460	Brazoria
Sandy Meadows Estates	0200335	Brazoria
Snug Harbor	0200053	Brazoria
Spanish Bit Plantation	1610102	Matagorda
Tejas Lakes Subdivision, Tejas Landing	0790504	Fort Bend
Village Lakes	0200638	Brazoria
Wilco Water/Holiday Beach	0200083	Brazoria
Wolf Glen	0200370	Brazoria

*Brandi Estates subject to City of Manvel's jurisdiction

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Community Utility Company)

System Name	PWS ID No.	County
Forest Manor Subdivision	1010264	Harris
Heathergate Estates	1011302	Harris
Sweetgum Estates	1700113	Montgomery

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Consumers Water, Inc.)

System Name	PWS ID No.	County
Greengate Acres	1010132	Harris
Huffman Heights	1010700	Harris
Highland Mobile Home Subdivision	1010285	Harris
Highland Ridge	1010157	Harris
Joy Village	1700021	Montgomery
Lakewood Colony	1700029	Montgomery
Meadowlake Estates	1010287	Harris
Pioneer Trails	1700114	Montgomery
Peach Creek Oaks	1700051	Montgomery
Porter Terrace	1700161	Montgomery
Spring Forest	1700033	Montgomery
Springmont	1010255	Harris
Tall Cedars Mobile Home Subdivision	1010219	Harris
Urban Acres Subdivision	1010252	Harris

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Suburban Utility Company)

System Name	PWS ID No.	County
Beaumont Place	1010098	Harris
Castlewood Subdivision	1010111	Harris
Cypress Bend Subdivision	1010119	Harris
Reservoir Acres Subdivision	1010197	Harris

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Gulf Coast Utility Company, Inc.)

Subdivision Name	PWS ID No.	County
Cold River Ranch Subdivision, Southwood Estates*	0200403	Brazoria
Magnolia Bend (formerly Kucera Farms) Subdivision*	0200665	Brazoria
Spring Crossing Subdivision / 288 Business Park*	0200666	Brazoria

* Magnolia Bend Rates subject to City of Iowa Colony's jurisdiction

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Chuck Bell dba Chuck Bell Water Systems, LLC)

Subdivision Name	PWS ID No.	County
Bear Creek Estates	2200336	Tarrant
Bell Manor Subdivision	1260080	Johnson
Buffalo Creek	1260084	Johnson
Crowley II Acre Subdivision, Stonefield Subdivision	1260012	Johnson
John Dame	1260090	Johnson
Martin Creek Estates	1260122	Johnson
Rock Creek Estates	1260082	Johnson
Sanders View Subdivision	1260086	Johnson

LIST OF SUBDIVISIONS AND SYSTEMS

System Name	PWS ID No.	County
Cape Shores Subdivision	1200044	Jackson
Grunwald 109	0790636	Fort Bend
The Reserve at Angleton	0200807	Brazoria

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Terra Southwest)

System Name	PWS ID No.	County
East Ponder Estates	0610061	Denton
Hilltown Addition	0610112	Denton

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Nerro Supply, LLC)

Subdivision Name	PWS ID No.	County
Allendale Water System	1700187	Montgomery
*Bayridge Water System	0360028	Chambers
Hillgreen Water Company	1700539	Montgomery
Loch Ness Cove Water System	1700148	Montgomery
Lost Lake	0360108	Chambers
*Oaks at Houston Point	0360126	Chambers
River Club Water Company	1700185	Montgomery
Woodhaven Estates	1700481	Montgomery
Wildwood Shores, Sam Houston Forest Subdivision	2360078	Walker

*Bayridge Water system and Oaks at Houston Point are within the city limits of the City of Beach City.

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Nerro Supply Investors, LLC)

Subdivision Name	PWS ID No.	County
Hazy Hollow East Estates	1700013	Montgomery
High Meadows Industrial Park		
Shady Brook Acres	1700031	Montgomery
Spring Creek Valley Estates	1010213	Harris

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Brazos Valley Septic & Water, Inc.)

Subdivision Name	PWS ID No.	County
Apache Hills	0260019	Burleson
Benchley Oaks	0210039	Brazos
Lakeview North	0260010	Burleson
Lakeway Manor	1980017	Robertson
Lakewood Estates	0210042	Brazos
Little Oak Forest	0260037	Burleson
Marshal Oaks	0260010	Burleson
Oak Forest	1980017	Robertson
Smetana Forest	0210010	Brazos
Somerville Place	0260010, 0260021	Burleson
Whispering Woods	0260032	Burleson

LIST OF SUBDIVISIONS AND SYSTEMS
(Formerly Pure Utilities, L.C.)

System Name	PWS ID No.	County
Bar D	1460076	Liberty
Barlow Lakes	2290015	Tyler
BE&O (Texas Water Supply)	1870131	Polk
Bentwood Bend	1870154	Polk
Commodore Cape	1870026	Polk
Forest Springs	1870059	Polk
Lakeside Village	1870095	Polk
Mont Neches	2290027	Tyler
Riverboat Bend Subdivision	1460088	Liberty
Six Lakes	1460015	Liberty
Spring Creek	1870149	Polk
Tanglewood Forest	2040054	San Jacinto
Taylor Lake Estates	1870064	Polk
Town Bluff	2290043	Tyler
West Leggett Development	1870131	Polk
Westwood Estates (Texas Water Supply)	1870131	Polk
Whitetail Ridge	2290012	Tyler

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – RatesRate Year 1Effective Date: August 1, 2020

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallage Charge</u>
5/8"	<u>\$37.81</u> (Includes 0 gallons)	<u>\$2.02</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$56.72</u>	<u>\$2.94</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$94.53</u>	<u>\$5.25</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$189.05</u>	<u>\$7.79</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$302.48</u>	
3"	<u>\$567.15</u>	
4"	<u>\$983.06</u>	
Other (Unmetered)	<u>\$60.50</u>	

Rate Year 2Effective Date: August 1, 2021

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallage Charge</u>
5/8"	<u>\$44.37</u> (Includes 0 gallons)	<u>\$2.21</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$66.56</u>	<u>\$3.13</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$110.93</u>	<u>\$5.44</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$221.85</u>	<u>\$7.98</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$354.96</u>	
3"	<u>\$665.55</u>	
4"	<u>\$1,153.62</u>	
Other (Unmetered)	<u>\$70.99</u>	

Rate Year 3Effective Date: August 1, 2022

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallage Charge</u>
5/8"	<u>\$50.93</u> (Includes 0 gallons)	<u>\$2.41</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$76.40</u>	<u>\$3.33</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$127.33</u>	<u>\$5.64</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$254.65</u>	<u>\$8.18</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$407.44</u>	
3"	<u>\$763.95</u>	
4"	<u>\$1,324.18</u>	
Other (Unmetered)	<u>\$81.49</u>	

Rate Case Expenses

Monthly Rate Case Expense Surcharge\$1.12 per month
 Effective Date: August 1, 2020. The rate case expense surcharge will be collected for 36 months or until the full \$244,178.13 of rate case expenses related to Docket No. 50200 is collected, whichever occurs first.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Additional Pass Through ChargesAll Former Orbit Systems, Inc. Customers (see list on pages 1-4)Brazoria County Groundwater Conservation District Production Fee \$0.03 per 1,000 gallons of water usage723 Utility/Riverside Ranch Subdivision OnlyNorth Fort Bend Water Authority Production Fee \$4.57 per 1,000 gallons of water usage
 $\$4.25 / (1 - 0.07) = \4.57 *(Tariff Control No. 51828)*Forest Manor and Heathergate Subdivisions OnlyCity of Houston Groundwater Reduction Plan (GRP) Fee..... \$1.99 per 1,000 gallons of water usage
 $\$1.17 / (1 - 0.4099) = \1.99 *(Tariff Control No. 54326)*Sweetgum Forest, Sweetgum Estates Customers OnlyAqua Texas, Inc. Regional Pass Through Gallonage Charge..... \$7.66 per 1,000 gallons of water usage
 $\$5.01 / (1 - 0.345546) = \7.66 *(Tariff Control No. 50072)*Porter Terrace Customers OnlySan Jacinto River Authority (SJRA) \$3.48 per 1,000 gallons of water usage
 $\$2.73 / (1 - 0.2155) = \3.48 *(Tariff Control No. 51788)*Spring Forest Customers OnlySan Jacinto River Authority (SJRA) \$3.83 per 1,000 gallons of water usage
 $\$2.73 / (1 - 0.2864) = \3.83 *(Tariff Control No. 51788)*Greengate Acres Customers OnlyNorth Harris County Regional Water Authority (NHCRWA)..... \$6.66 per 1,000 gallons of water usage
 $\$4.60 / 1 - 0.3094) = \6.66 *(Tariff Control No. 51788)*Springmont Customers OnlyNorth Harris County Regional Water Authority (NHCRWA)..... \$5.98 per 1,000 gallons of water usage
 $\$4.60 / (1 - 0.2308) = \5.980 *(Tariff Control No. 51788)*Huffman Heights Customers OnlyCity of Houston Groundwater Reduction Plan (GRP) Fee..... \$1.66 per 1,000 gallons of water usage
 $\$1.17 / (1 - 0.2938) = \1.66 *(Tariff Control No. 54326)*

SECTION 1.0 -- RATE SCHEDULE (Continued)

Urban Acres Customers OnlyCity of Houston Groundwater Reduction Plan (GRP) Fee..... \$1.99 per 1,000 gallons of water usage $\$1.17 / (1 - 0.4099) = \1.99 *(Tariff Control No. 54326)*Meadowlake Estates Subdivision Customers OnlyCity of Houston Groundwater Reduction Plan (GRP) Fee..... \$5.30 per 1,000 gallons of water usage $\$3.13 / (1 - 0.4099) = \5.30 *(Tariff Control No. 54326)*Pioneer Trails Subdivision Customers Only:Crystal Springs Wholesale Purchase Water Fee..... \$23.95 per connection *(Tariff Control No. 46849)* plus
\$8.59 per 1,000 gallons of water usage $\$5.999 / (1 - 0.3013) = \8.59 *(Tariff Control No. 51788)*Cypress Bend Subdivision Customers Only:North Harris County Regional Water Authority (NHCRWA)..... \$5.47 per 1,000 gallons of water usage $\$3.85 / (1 - 0.296) = \5.47 *(Tariff Control No. 49346)*Castlewood Subdivision Customers Only:City of Houston Groundwater Reduction Plan (GRP) Fee..... \$1.58 per 1,000 gallons of water usage $\$1.17 / (1 - 0.2581) = \1.58 *(Tariff Control No. 54326)*Baumont Place Subdivision Customers Only:Harris County MUD No. 421 \$4.75 per 1,000 gallons of water usageDuring the time of the emergency interconnect with Harris County MUD No. 421, Undine's
current gallonage charge will not apply.*(Tariff Control No. 47883)*Bell Manor Subdivision Customers Only:Purchased Water Fees for Johnson County Special Utility District... \$2.51 per 1,000 gallons of water usageBear Creek Estates Subdivision Customers OnlyNorthern Trinity Groundwater Conservation District Water Production Fee... \$0.15 per 1,000 gallons of
water usage $\$0.125 / (1 - 0.15) = \0.15 *(Tariff Control No. 48031)*All former Chuck Bell Water Systems, LLC Customers only except Bear Creek Estates in
Tarrant CountyPrairielands Groundwater Conservation District Water Production Fee... \$0.24 per 1,000 gallons of water
usage

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Online Payment or Automatic Bank Draft

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

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CREDIT CARD, AND ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

REGULATORY ASSESSMENT1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE\$1,200.00

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

TAP FEE (Unique costs)Actual Cost

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

TAP FEE (Large meter)Actual Cost

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

METER RELOCATION FEEActual Relocation Cost, Not to Exceed Tap Fee

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

METER TEST FEE

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.

a) Residential\$25.00

b) Commercial\$50.00

RECONNECTION FEE

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

c) After hours reconnection\$50.00

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE.....\$65.00

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 or 10%

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

RETURNED CHECK CHARGE.....\$30.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

PASS THROUGH ADJUSTMENT CLAUSE:

The utility may pass on only to those customers served by a system subject to the jurisdiction of any Regional Water Authority and/or any Groundwater Reduction Plan, any increase or decrease in its Underground Water District Pumpage Fee or Purchased Water Fee, thirty (30) days after noticing of any change to all affected customers and filing notice with the PUC as required by 16 TAC § 24.25(b)(2)(F). The charge per customer shall be calculated as follows:

$$(A \times B) / C + L [(A \times B) / C] = \text{increase or decrease to existing gallonage rate,}$$

Where:

A = utility's annualized change in cost of water subjected to district's fee

B = average number of gallons

C = 1,000 gallons

L = percentage systemwide line loss for the preceding 12 months, not to exceed 15%

SECTION 1.0 -- RATE SCHEDULE (Continued)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

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

$$AG = G + B / (1 - L),$$

Where:

AG= adjusted gallonage charge, rounded to the nearest one cent;

G= approved gallonage charge (per 1,000 gallons);

B=change in purchased water/district gallonage charge (per 1,000 gallons);

L=system average line loss for preceding 12 months not to exceed 0.15

FRANCHISE FEE ASSESSMENT. Franchise fees levied by a municipality may be passed through to those customers inside the city generating the revenues upon which the franchise fee is calculated. Implementation of this pass through clause shall be subject to the notice and approval process of the city having original jurisdiction over these fees. Franchise fees may not be passed through or allocated to utility customers outside the municipality.

EASEMENTS. Pursuant to 16 TAC § 24.161(d), easements from customers may be required as a precondition of service when:

- (1) 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 property of a service applicant, the public utility may require the service applicant or land owner to grant a permanent recorded public easement dedicated to the public utility to construct, install, maintain, inspect and test water and/or sewer facilities necessary to serve the applicant.

As a condition of service to a new subdivision, public utilities may require developers to provide permanent recorded public utility easements to and throughout the subdivision sufficient to construct, install, maintain, inspect, and test water and/or sewer facilities necessary to serve the subdivision's anticipated service demands upon full occupancy.

**Allendale Water System, Bayridge Water System,
Hillgreen Water Company, Loch Ness Cove Water System,
Lost Lake, Oaks at Houston Point,
River Club Water Company, Woodhaven Estates
Formerly Nerro Supply, LLC**

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>\$40.78</u> (Includes 0 gallons)	<u>\$2.50</u> per 1000 gallons thereafter
1"	<u>\$101.95</u>	
1½"	<u>\$203.90</u>	*PLUS
2"	<u>\$326.24</u>	Pass through fees below
3"	<u>\$1,019.50</u>	

Pass Through Fee:

*The gallage charge will be increased for customers in the River Club/River Ridge subdivision for Pass Through fees related to the San Jacinto River Authority (SJRA) and Lone Star Groundwater Conservation District (LSGCD).

San Jacinto River Authority (SJRA).....*\$4.19 per 1000 gallons
(The pass through fees are adjusted for line loss) (Tariff Control No. 53209)

*Lone Star Groundwater Conservation District (LSGCD) Water Use Fee.....\$0.04
(Tariff Control No. 48068) per 1,000 gallons of water usage

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

REGULATORY ASSESSMENT.....1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND REMIT THE FEE TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$750.00

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

TAP FEE (Unique costs)Actual Cost

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

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

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

**Allendale Water System, Bayridge Water System,
Hillgreen Water Company, Loch Ness Cove Water System,
Lost Lake, Oaks at Houston Point,
River Club Water Company, Woodhaven Estates
Formerly Nerro Supply, LLC**

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER 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).....	<u>\$25.00</u>
b) Customer's request that service be disconnected	<u>\$50.00</u>

TRANSFER FEE..... \$50.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (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 \$50.00
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.

**Allendale Water System, Bayridge Water System
Hillgreen Water Company, Loch Ness Cove Water System,
Lost Lake, Oaks at Houston Point,
River Club Water Company, Woodhaven Estates
*Formerly Nerro Supply, LLC***

SECTION 1.0 -- RATE SCHEDULE (Continued)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

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

- R = $G/(1-L)$, where:
- R = Utility's new proposed pass-through rate, rounded to nearest one cent
- G = approved per 1,000 gallon gallonage charge
- L = system average line loss for preceding 12 months, not to exceed 0.15

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

Wildwood Shores*Formerly Nerro Supply, LLC***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>\$20.00</u> (Includes 10,000 gallons)	<u>\$3.00</u> per 1000 gallons, 1 st 10,000 gallons <u>\$5.00</u> per 1000 gallons thereafter

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

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

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

REGULATORY ASSESSMENT 1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$600.00

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

TAP FEE (Unique costs) Actual Cost

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

TAP FEE (Large meter) Actual Cost

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

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

THIS FEE SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER NOT EXCEED \$25.

Wildwood Shores*Formerly Nerro Supply, LLC***SECTION 1.0 -- RATE SCHEDULE (Continued)****RECONNECTION FEE**

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

- a) Non-payment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected\$10.00

TRANSFER FEE.....\$10.00

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 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.

Sam Houston Forest Subdivision*Formerly Nerro Supply, LLC***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>\$12.00</u> (Includes 5,000 gallons)	<u>\$0.75</u> 5,001-15,000 gallons
		<u>\$0.85</u> 15,001-25,000 gallons
		<u>\$1.00</u> 25,001-35,000 gallons
		<u>\$1.25</u> 35,001 and up

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

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

Section 1.02 - Miscellaneous 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.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER NOT EXCEED \$25.

Sam Houston Forest Subdivision*Formerly Nerro Supply, LLC***SECTION 1.0 -- RATE SCHEDULE (Continued)****RECONNECTION FEE**

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

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected..... \$10.00

TRANSFER FEE \$10.00

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 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.

**Hazy Hollow East Estates, High Meadows Industrial
Park, Shady Brook Acres, Spring Creek Valley Estates**
Formerly Nerro Supply Investors, Inc.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates**Spring Creek Valley Estates (Harris County)**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$37.16</u> (includes 1000 gallons)	<u>\$3.56</u> per 1,000 gallons over the minimum *Plus NHCRWA Fee for <u>ALL</u> gallons used.

*North Harris County Regional Water Authority Water Use Fee:

\$6.70 per 1,000 for all gallons used

Tariff Control No. 53209

Hazy Hollow East Estates, High Meadows Industrial Park, Shady Brook Acres
(Montgomery County)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$36.71</u> (includes 1000 gallons)	<u>\$3.55</u> per 1,000 gallons over the minimum *Plus LSGCD & SJRA fees for <u>ALL</u> gallons used.

*Lone Star Groundwater Conservation District Water Use Fee: \$0.12 per 1,000 for all gallons used

Tariff Control No. 48069

*San Jacinto River Authority Fee for Hazy Hollow East Estates only:

Tariff Control No. 53209 \$3.80 per 1,000 for all gallons used

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 ASSESSMENT1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL
AND REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEEN/A
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.

**Hazy Hollow East Estates, High Meadows Industrial
Park, Shady Brook Acres, Spring Creek Valley Estates**
Formerly Nerro Supply Investors, Inc.

SECTION 1.0 – RATE SCHEDULE (Continued)

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..... N/A

TRANSFER FEE N/A

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

**Hazy Hollow East Estates, High Meadows Industrial
Park, Shady Brook Acres, Spring Creek Valley Estates**
Formerly Nerro Supply Investors, Inc.

SECTION 1.0 – RATE SCHEDULE (Continued)

Pass Through Provision:

For Utilities subject to changes in costs imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

$$R = G / (1 - L)$$

Where:

R = the proposed pass-through rate;

G = the new gallonage charge (per 1,000 gallons) by source supplier;

L = the actual line loss for the preceding 12 months, not to exceed 0.15

**Apache Hills, Benchley Oaks, Lakeview North,
Lakeway Manor, Lakewood Estates, Little Oak Forest,
Marshal Oaks, Oak Forest, Smetana Forest,
Somerville Place, Whispering Woods**
Formerly Brazos Valley Septic & Water, Inc.

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>\$32.58</u> (Includes 0 gallons)	<u>\$2.00</u> per 1000 gallons up to 12, 000 gallons
1"	<u>\$81.45</u>	<u>\$3.00</u> per 1000 gallons, 12,001 gallons and up
1½"	<u>\$162.90</u>	
2"	<u>\$260.64</u>	
3"	<u>\$488.70</u>	
4"	<u>\$814.50</u>	

Pass Through Fee:

An additional charge per 1,000 gallons of water usage for Brazos Valley Groundwater Conservation District (BVGCD) production fees applies to the following subdivisions: Benchley Oaks, Lakewood Estates, Smetana Forest, Lakeway Manor, and Oak Forest

*BVGCD Production Fee \$0.05
(*Tariff Control No. 49535*) per 1,000 gallons of water usage

*Undine receives a 1.0% credit for the amount pumped annually from BVGCD that is less than 100,000,000 gallons. The resulting approved pass-through fee is: \$0.0325 divided by (1- 0.15) equals \$0.04 per thousand gallons up to 100,000,000 gallons pumped per year; and \$0.05 per thousand gallons, thereafter.

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$850.00
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.

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.

**Apache Hills, Benchley Oaks, Lakeview North,
Lakeway Manor, Lakewood Estates, Little Oak Forest,
Marshal Oaks, Oak Forest, Smetana Forest,
Somerville Place, Whispering Woods**
Formerly Brazos Valley Septic & Water, Inc.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$45.00

SEASONAL RECONNECT FEE: Monthly minimum times number of months off the system, maximum 6 months.

TRANSFER FEE \$45.00

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. SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RETURNED CHECK CHARGE \$30.00

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

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

**Apache Hills, Benchley Oaks, Lakeview North,
Lakeway Manor, Lakewood Estates, Little Oak Forest,
Marshal Oaks, Oak Forest, Smetana Forest,
Somerville Place, Whispering Woods**
Formerly Brazos Valley Septic & Water, Inc.

SECTION 1.0 -- RATE SCHEDULE (Continued)

PURCHASED WATER DISTRICT FEE PASS THROUGH CLAUSE:

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

- R = $G/(1-L)$, where:
 R = Utility's new proposed pass-through rate, rounded to nearest one cent
 G = approved per 1,000 gallon gallonage charge
 L = system average line loss for preceding 12 months, not to exceed 0.15

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

TEMPORARY WATER RATE:

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

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

Where:

- TGC = temporary gallonage charge
 cgc = current gallonage charge
 r = water use reduction expressed as a decimal fraction (the pumping restrictions)
 pr = percentage of revenues to be recovered expressed as a decimal fraction (i.e. 100% = 1.0), for this tariff, pr shall equal 0.5.

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC § 24.25(b)(2)(F).

Pure Utilities**SECTION 1.0 -- RATE SCHEDULE**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
$\frac{5}{8}$ " or $\frac{3}{4}$ "	<u>\$35.19</u> (Includes 2,000 gallons)	<u>\$3.54</u> per 1000 gallons
1"	<u>\$77.34</u>	
1½ "	<u>\$147.60</u>	
2"	<u>\$231.91</u>	
3"	<u>\$428.63</u>	

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$350.00
 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) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$25.00

Pure Utilities**SECTION 1.0 -- RATE SCHEDULE (Continued)**

TRANSFER FEE	<u>\$35.00</u>
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)	<u>\$5.00</u>
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	<u>\$25.00</u>
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.	
CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)	<u>N/A</u>
COMMERCIAL & NON-RESIDENTIAL DEPOSIT	<u>1/6TH OF ESTIMATED ANNUAL BILL</u>
GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:	
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]	
LINE EXTENSION AND CONSTRUCTION CHARGES:	
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.	

SECTION 2.0 – SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (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.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

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

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, 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

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 operation 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 back flow 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 back flow 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 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.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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 payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

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

(C) Information on Bill

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

(D) Prorated Bills

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

Section 2.11- Payments

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

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

Section 2.12 - Service Disconnection

(A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

B) Without Notice

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

Section 2.13 - Reconnection of Service

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the 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 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 PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if:

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

If an exception is granted, 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 waste water collection lines necessary to serve other potential service applicants 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 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.

SECTION 3.0 – EXTENSION POLICY (Continued)

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 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.

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.

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

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

SECTION 3.0 – EXTENSION POLICY (Continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ

minimum design criteria. As provided by 16 TAC § 24.163(d)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers

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 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.

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

SECTION 3.0 – EXTENSION POLICY (Continued)

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

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

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

Section 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

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

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

SECTION 3.0 – EXTENSION POLICY (Continued)

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

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

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

APPENDIX A – DROUGHT CONTINGENCY PLAN
(Utility must attach a copy of TCEQ approved Drought Contingency Plan)

APPENDIX B -- SERVICE AGREEMENT

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