



Filing Receipt

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Control Number - 53075

ItemNumber - 737

**WATER UTILITY TARIFF
FOR**

Utilities Investment Company, Inc.
dba Orchard Crossing
(Utility Name)

P.O. Box 2482
(Business Address)

Conroe, Texas 77305-2482
(City, State, Zip Code)

(281) 590-4359
(Area Code/Telephone)

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

12671

This tariff is effective in the following counties:

Chambers, Harris and Liberty, and Montgomery

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

None

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):

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LIST OF SUBDIVISIONS

SUBDIVISION	PWS ID NUMBER	COUNTY
Beau View	1700708	Montgomery
Cedar Oaks Mobile Home Community	1011556	Harris
Cypress Water Supply	1013157	Harris
Greenbriar Estates	0360111	Chambers
Homestead Oaks Mobile Home Community	1011734	Harris
McGee Place	1012995	Harris
Orchard Crossing	1012450	Harris
Peach Creek Plantation	1700783	Montgomery
Spring-Cypress Shopping Center	1013172	Harris
Twin Oaks	1013058	Harris
Timber Switch	1700766	Montgomery
Montebello Subdivision	1460174	Liberty

Orchard Crossing

Orchard Crossing & Twin Oaks

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"	\$14.50 (Includes 0 gallons)	\$1.75 per 1000 gallons same for all meter sizes
1"	\$24.22	
1 1/2"	\$48.29	
2"	\$77.29	
3"	\$145.00	
4"	\$241.72	

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash___, 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 \$400.00
 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.

RATES LISTED ARE EFFECTIVE ONLY IF
 THIS PAGE HAS TCEQ APPROVAL STAMP

Orchard Crossing

Orchard Crossing & Twin Oaks

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 \$40.00

TRANSFER FEE \$25.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00

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

RETURNED CHECK CHARGE \$20.00

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

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF 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. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

UNDERGROUND WATER DISTRICT FEE PASS THROUGH CLAUSE:

CHANGES IN FEES IMPOSED BY UNDERGROUND WATER DISTRICTS HAVING JURISDICTION OVER THE ORCHARD CROSSING SUBDIVISION SHALL BE PASSED THROUGH AS AN ADJUSTMENT TO THE WATER GALLONAGE CHARGE ACCORDING TO THE FORMULA:

$AG = (G+B) + L(G+B)$, where

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved per 1,000 gallon gallonage charge

B = change in district fee per 1,000 gallons

L = system average line loss for preceding 12 months, not to exceed 15%

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TCEQ APPROVAL STAMP

Orchard Crossing

McGee Place, Greenbriar Estates, Timber Switch and Peach Creek Plantation

SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$35.00</u> (Includes <u>0</u> gallons)	<u>\$2.00</u> per 1,000 gallons
1"	<u>\$60.00</u>	
1 1/2 "	<u>\$70.00</u>	
2"	<u>\$80.00</u>	
3"	<u>\$95.00</u>	
4"	<u>\$135.00</u>	

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

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$475.00
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.

**RATES LISTED ARE EFFECTIVE ONLY
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TEXAS COMM. ON ENVIRONMENTAL QUALITY
35672-C, CCN 12671, JANUARY 17, 2008
APPROVED TARIFF BY 9/1EF

SECTION 1.0 – RATE SCHEDULE (Continued)
McGee Place (ONLY)

UNDERGROUND WATER DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by underground water districts having jurisdiction over the McGee Place shall be passed through as an adjustment to the water gallonage charge according to the formula:

$AG = (G + B) + L(G+B)$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved per 1,000 gallon gallonage charge

B = changed in district fee per 1,000 gallons

L = system average line loss for preceding 12 months, not to exceed 15%

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TEXAS COMM. ON ENVIRONMENTAL QUALITY
34914-C, CCN 12671, SEPTEMBER 13, 2006
APPROVED TARIFF BY: SP/CP

SECTION 1.0 -- RATE SCHEDULE
Spring-Cypress Shopping Center

Section 1.01 - Rates - Commercial

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	\$14.50 (Includes 0 gallons)	\$1.75 per 1000 gallons
1"	\$24.22	same for all meter sizes
1 1/2 "	\$48.29	
2"	\$77.29	
3"	\$145.00	
4"	\$241.72	

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

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

GROUNDWATER WITHDRAWAL REGULATORY ASSESSMENT Actual Cost
HARRIS-GALVESTON COUNTY SUBSIDENCE DISTRICT PUMP FEES AND NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY PUMPAGE FEES WILL BE CHARGED AT COST, PER 1,000 GALLONS

Section 1.02 - Miscellaneous Fees

TAP FEE \$400.00
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.

RATES LISTED ARE EFFECTIVE ONLY IF
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334350 CCN 12671 AUG 16 '01

APPROVED TARIFF BY Sm/LM

SECTION 1.0 -- RATE SCHEDULE (Continued)
Spring-Cypress Shopping Center

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 \$40.00

TRANSFER FEE \$25.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%

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

RETURNED CHECK CHARGE \$20.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY TNRCC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

RATES LISTED ARE EFFECTIVE ONLY IF
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334350 CCN 12671 AUG 16 '01

APPROVED TARIFF BY Sm/CM

SECTION 1.0 -- RATE SCHEDULE
Beau View

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$25.00 (Includes 0 gallons)	\$2.00 per 1000 gallons
1"	\$38.50	
2"	\$48.50	
3"	\$65.00	

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

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

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
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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.

RATES LISTED ARE EFFECTIVE ONLY IF
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TEXAS COMM. ON ENVIRONMENTAL QUALITY

340600 CCN 12671 APR 1, 03

APPROVED TARIFF BY LM

SECTION 1.0 -- RATE SCHEDULE (Continued)
Beau View

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 \$40.00

TRANSFER FEE \$25.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00

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

RETURNED CHECK CHARGE \$20.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY TNRCC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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TEXAS COMM. ON ENVIRONMENTAL QUALITY

340600 CCN 12671 APR 11 00

APPROVED TARIFF BY SLM/LM

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$33.00</u> (Includes <u>1,000</u> gallons)	<u>\$5.00</u> per 1000 gallons

FORM OF PAYMENT: The utility will accept the following forms of payment:
Cash X, Check X, Money Order____, 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.....\$0.00
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.

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 – RATE SCHEDULE (Continued)

METER TEST FEE.....\$25.00

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

RECONNECTION FEE

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

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

TRANSFER FEE.....\$0.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL).....\$5.00

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

RETURNED CHECK CHARGE.....\$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.....N/A

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. [30 TAC 291.21(K)(2)]

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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:

$$AG = G + B/(1-L), \text{ Where:}$$

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved gallonage charge, per 1,000 gallons

B = changed in fee (per 1,000 gallons)

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

And/Or

$$ABR = BR + [(B \times N)/(1-L)], \text{ Where:}$$

ABR = adjusted base rate, rounded to nearest one cent

BR = approved base rate charge

B = changed in fee (per 1,000 gallons)

N = no. of 1000 gallons included in base rate

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

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"	\$25.00 (Includes 0 gallons)	\$2.00 per 1000 gallons

FORM OF PAYMENT: The utility will accept the following forms of payment:
Cash _____, 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 \$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 MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE
RELOCATED.

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 – RATE SCHEDULE (Continued)

METER TEST FEE \$25.00

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

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$40.00

TRANSFER FEE..... \$25.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00

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

RETURNED CHECK CHARGE \$20.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE N/A

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. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 - Texas Natural Resource Conservation Commission Rules

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Rates, 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 2.02 - Application for and Provision of 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) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

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.

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - 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 TNRCC 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 a complaint may be filed with the Commission.

Section 2.04 - 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 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TNRCC Rules.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

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D.A. APPROVED TARIFF BY Att

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.04 - Customer Deposits (cont.)

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

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

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

Section 2.05 - Meter Requirements, Readings, and Testing

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. One meter is required for each residential, commercial or industrial facility in accordance with the TNRCC rules.

Service 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.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

314375 CCN 12671 APR 30 '97

D.A. APPROVED TARIFF BY *AT*

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.06 - 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 work day after the due date.

A late penalty of either \$2.00 or 5.0% 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.

Each bill will provide all information required by the TNRCC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

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 2.07 - Service Disconnection

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 TNRCC Rules.

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D.A. APPROVED TARIFF BY Att

SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.07 - Service Disconnection (cont.)

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

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - 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.

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 2.10 - 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 TNRCC Rules or in the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems."

Section 2.11 - 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

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

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SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)

Section 2.11 - Customer Complaints and Disputes (cont.)

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 Texas Natural Resource Conservation Commission 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.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

The utility adopts the administrative rules of the Texas Natural Resource Conservation Commission, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours.

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 check which has: insufficient funds in the account to cover it, upon which payment has been stopped, or which has not been signed, shall be deemed to be delinquent. All returned checks must be redeemed with cash or money order. If a customer has two returned checks within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid and make future payments by cash or money order for a period of twelve months.

Customers shall not be allowed to use the utility's cutoff valve on the utility's side of the meter. Customers may install cutoff valves on their side of the meter and are encouraged to do so.

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

Limitation on Product/Service Liability - Public water utilities are required to deliver water to the customer's side of the meter or service connection which meets the potability and pressure standards of the Texas Natural Resource Conservation Commission. The utility will not accept

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SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (cont.)

liability for any injury or damage to individuals or their property occurring on the customer's side of the meter when the water delivered meets these state standards. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in water service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by TNRCC rules, (3) electrical power failures in water systems not required by TNRCC rule to have auxiliary power supplies, or (4) termination of water service pursuant to the utility's tariff and the TNRCC's rules. The utility is not required by law and does not provide fire prevention or fire fighting services. The utility therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. The utility will accept liability for any injury or damage to individuals or their property directly caused by defective utility plant (leaking water lines or meters) or the repairs to or construction of the utility's facilities.

If the services of a registered professional engineer are required as a result of an application for serviced received by the Utility for service to that applicant's service extension only, such engineer will be selected by the Utility and the applicant, and the applicant shall bear all expensed incurred therein.

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. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by TNRCC rule) for the actual costs of any additional facilities required to maintain compliance with the Texas Natural Resource Conservation Commission minimum design criteria for water production, treatment, pumping, storage and transmission.

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 entitled to a written explanation of such costs prior to 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 have the right to appeal such costs to the TNRCC 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.

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SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (cont.)

The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the TNRCC, state plumbing codes, and with the service rules and regulations of the utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by TNRCC rule. No water service smaller than 5/8" will be connected. No pipe or pipe fitting which contains more than 8.0% lead can be used for the installation or repair of plumbing at any connection which provides water for human use. No solder or flux which contains more than 0.2% lead can be used at any connection which provides water for human use.

The utility will have the right of access to the customer's premises at all times reasonable 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. 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.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other water service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a water main abutting the premises; each shall have separate service lines and meters. For the purposes of this paragraph, each residence shall be construed to be one entity or consuming facility.

No connection shall be allowed which allows water to be returned to the public drinking water supply. No backflow prevention device shall be permitted to be installed in the customer's plumbing without notice to and written permission from the utility. Any backflow prevention devices so installed shall be inspected annually by a licensed backflow prevention device inspector or appropriately licensed plumber and a written report of such inspection delivered to the utility.

No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.

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SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (cont.)

It is agreed and understood that any and all meters, water lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein shall be construed to reflect a sale or transfer of any such meters, lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.

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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.

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.

COST UTILITIES SHALL BEAR. Within its certificate area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems."

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314375 GCN 12671 APR 30 '97

D.A. APPROVED TARIFF BY ADH

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

Residential customers not covered under Section 3.01 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 full 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.

Developers will 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 Texas Natural Resource Conservation Commission minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Natural Resource Conservation Commission 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.

The utility adopts the administrative rules of the Texas Natural Resource Conservation Commission, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours.

When an individual residential applicant requires an extension of a main line beyond 200 feet, the charge to that applicant shall be the actual cost of such extension in excess of 200 feet, plus the applicable tap fee plus such other approved costs as may be provided in this tariff and/or TNRCC rules.

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 based upon the capacities of production, transmission, storage, pumping and treatment facilities, compliant with the Texas Natural Resource Conservation Commission minimum design criteria, which must be committed to such extension. As provided by 30 T.A.C. 291.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall 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 Texas Natural Resource Conservation Commission minimum design criteria for water production, treatment, pumping, storage and transmission.

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SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (cont.)

The imposition of additional extension costs or other charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, TNRCC 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 entitled to 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 have the right to appeal such costs to the TNRCC 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. Unless the TNRCC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

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314375000 12671 APR 30 '97

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SECTION 4.0 -- DROUGHT CONTINGENCY PLAN
(Utility must attach copy of TCEQ approved Drought Contingency Plan)

AQUA PURE

November 17, 2005

TCEQ
Public Water Supply
Utilities & Districts
P.O. Box 13087
Austin Texas 78711-3087

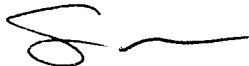
RE: Updated Drought Contingency Plans
Utilities Investment Co., Inc.
PWS No's 1013172, 1013316, 0369514
1012995, 1012450, 1013058, 1700708, 1870017

Dear Sirs,

Enclosed is a copy of our updated drought contingency plan for the above mentioned systems.

If you have any questions or comments regarding the plan, please don't hesitate to call.

Sincerely,



Shannon Marsh

TEXAS COM. ON ENVIRONMENTAL QUALITY

13510 Aldine Westfield Houston, Tx 77039
P.O. Box 2482, Conroe, Tx 77305
Ph. 281-590-4359 Fx. 936-344-9838

~~CCN 1267~~ MAY 22 '07
APPROVED TARIFF BY SP/SP

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TEXAS COM. ON ENVIRONMENTAL QUALITY

CCN 12671 MAY 22 '07

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SP/SP

**DROUGHT CONTINGENCY PLAN
FOR
UTILITIES INVESTMENT COMPANY INC. (UIC)**

Section I: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, Utilities Investment Company, Inc. hereby adopts the following regulations and restrictions on the delivery and consumption of water from the Plant.

Water uses regulated or prohibited under this Drought Contingency Plan (the "Plan") are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by Utilities Investment Co., Inc by means of direct contact with utility customers.

Section III: Public Education

Utilities Investment Co., Inc will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of letters to the customers, notices on the utility bills, or other similar measures as appropriate.

Section IV: Coordination with Regional Water Planning Groups

The service area of the Utilities Investment Co., Inc. is located within the Houston Region (Region H) Regional Water Planning Group and the Utilities Investment Co., Inc. will provide a copy of this Plan to the Region H Planning Group.

Section V: Authorization

Utilities Investment Co. Inc., or its designee, is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. Utilities Investment Co., Inc., or its designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the Utilities Investment Co. Inc.. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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Section VII: Definitions

For the purposes of the Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by the UIC.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

UIC: Utilities Investment Company, Inc.

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;

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- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) use of water from hydrants for construction purposes or any other purpose other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Section VIII: Triggering Criteria for Initiation and Termination of Drought Response Stages

UIC, or its designee, shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on known system capacity limits. UIC will adopt measures for each stage of the Plan as warranted by the triggers. The stages will not necessarily be adopted in consecutive order. Public notification shall be provided in accordance with Section IX hereof.

UIC shall comply with all voluntary and/or mandatory supply management measures, described as follows, at its own facilities which are supplied by this water system.

Stage 1 – MODERATE Water Shortage Conditions

Triggers / Requirements for Initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 1 of this Plan when the average well run time is at or above 18 hours per day for three (3) consecutive days or when any of the water facilities cannot meet the water supply demand.

Requirements for Termination

Stage 1 of the Plan may be rescinded when the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days or at the discretion of UIC.

Supply Management Measures:

1. If the water system is normally operated above 55 psi pressure, reduce system pressure at the water plant to 55 psi.
2. Voluntary Water Use Restrictions as follows:

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- a. Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursday for customers with a street address ending in an even number (0, 2, 4, 6, or 8), and Saturdays and Wednesdays for customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of midnight and 6:00 AM and 8:00 PM to midnight on designated water days.
- b. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

****Implementation of STAGE 1 is expected to reduce water demands by 15%

Customers shall be notified of the implementation of the water use restrictions by sending the letter attached as Exhibit 1.

Stage 2 – SEVERE Water Shortage Conditions

Triggers / Requirements for Initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 2 of this Plan when the average well run time is at or above 20 hours per day for three (3) consecutive days or when any of the water facilities cannot meet the water supply demand.

Requirements for Termination

Stage 2 of the Plan may be rescinded when the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days or at the discretion of UIC. Termination of Stage 2, Stage 1 becomes operative.

Supply Management Measures:

1. If the water system is normally operated above 50 psi pressure, reduce system pressure at the water plant to 50 psi, if system operation permits.
2. Water Use Restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:
 - a. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.
 - b. Irrigation of landscaped areas shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturday and Wednesdays for customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 6:00 AM and between 8:00 PM and 12:00 midnight on designated watering days. Irrigation of landscaped areas is permitted only if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system or a

TEXAS COM. ON ENVIRONMENTAL QUALITY

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permanently installed automatic system. Portable household sprinklers must be timed. Total irrigation times for any zone shall not exceed 30 minutes.

- c. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is prohibited except on designated water days between the hours of 12:00 midnight and 10:00 AM and between 8:00 PM and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- d. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated water days between the hours of 12:00 midnight and 6:00 AM and between 8:00 PM and 12:00 midnight.
- e. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
- f. Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety and welfare and use of water from designated fire hydrants for construction purposes is to be discontinued unless special considerations are made by UIC.
- g. All restaurants are prohibited from serving water to patrons except upon request of the patron.
- h. The following uses of water are defined as non-essential and are prohibited:
 - i. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
 - ii. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - iii. use of water for dust control, except where special permit is given for construction projects;
 - iv. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - v. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s), but in no event more than seventy-two hours after notice is given.

****Implementation of STAGE 2 is expected to reduce water demands by 25%

Customers shall be notified of the implementation of water use restrictions by sending the letter attached as Exhibit 2.

Stage 3 – CRITICAL / EMERGENCY Water Shortage Conditions

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CCN 1 2 6 7 MAY 2 2 '07

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Triggers / Requirements for Initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when the average well run time is at or above 22 hours per day for any one (1) day or when any of the water facilities cannot meet the water supply demand.

Requirements for Termination

Stage 3 of the Plan may be rescinded when the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days or at the discretion of UIC. Upon termination of Stage 3, Stage 2 becomes operative.

Supply Management Measures:

1. If the water system is normally operated above 45 psi pressure, reduce system pressure at the water plant to 45 psi, if system operation permits.
2. Water Use Restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:
 - a. Irrigation of landscaped areas is prohibited at all times.
 - b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle not occurring on the premises of a commercial car wash or commercial service station and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 8:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM. Such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
 - c. The filling, refilling, or adding of to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited.
 - d. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
 - e. No application for new, additional, expanded or increased-in-size water service connections, meters, service lines, pipeline extensions, mains or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage shall be in effect.
 - f. Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety and welfare and use of water from designated fire hydrants for construction purposes is to be discontinued.

TEXAS COMM. ON ENVIRONMENTAL QUALITY

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g. All restaurants are prohibited from serving water to patrons except upon request of the patron.

h. The following uses of water are defined as non-essential and are prohibited:

- i. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
- ii. use of water to wash down buildings or structures for purposes other than immediate fire protection;
- iii. use of water for dust control;
- iv. flushing gutters or permitting water to run or accumulate in any gutter or street; and
- v. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s), but in no event more than forty-eight hours after notice is given.

****Implementation of STAGE 2 is expected to reduce water demands by 35%

Customers shall be notified of the implementation of water use restrictions by sending the letter attached as Exhibit 3.

Section IX: Notification of Drought Stages

UIC, or its designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of the Plan, shall determine that a Moderate, Severe, Critical/Emergency, or water shortage condition exists and shall implement the following notification procedures:

Notification of the Public:

UIC, or its designee, shall notify the public by means of:

- Direct mail to each customer
- Signs posted in public places; or
- Other measures that might be appropriate.

Additional Notification: UIC, or its designee, shall notify directly, or cause to be notified directly, the following individuals and entities:

- Texas Natural Resource Conservation Commission as required by TNRCC rules;
- Major water users;
- Critical water users, i.e. hospitals

Section X: Enforcement

- a. No person shall knowingly or intentionally allow the use of water from the UIC for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that

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permitted by the drought response stage in effect at the time pursuant to action taken by UIC, or its designee, in accordance with provisions of this Plan.

- b. First Violation. Any person or entity who violates this Plan shall receive written notification of such violation, which notice shall be set forth (i) the date of the violation, (ii) the nature of the violation, (iii) the Drought Stage measures then in effect, and (iv) the penalties applicable for any further violations of the Plan: provided, however, that if such person or entity has ever previously violated this Plan, the penalties set forth below may, at the discretion of the Owners of UIC, be imposed. The letter attached as Exhibit 4 may be used for the written notification of a first violation of the provisions of the Plan.
- c. Subsequent Violations.
 1. Disconnection for Noncompliance. If any person or entity violated any provision of this Plan more than one time (which violation shall constitute an unauthorized use of UIC services and/or facilities), then in addition to any other remedies, penalties, sanctions, and enforcement procedures provided for herein, UIC or its designee (with the assistance of a peace officer, when deemed necessary by UIC or its designee) shall have the right to terminate water service to such person or entity after notice and any other procedural requirements in UIC's Rate Order are satisfied. The letter attached as Exhibit 5 may be used to notify the person or entity of the termination of services.
- d. Remedies Cumulative. All rights, remedies, sanctions, penalties, and enforcement procedures provided for in this Plan are cumulative. In addition, UIC shall have and may exercise and enforce any and all rights and remedies provided by law or in equity.

Section XI: Variances

UIC or its designee, may, in writing, grant temporary variances, subject to confirmation by UIC, for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more other following conditions are met:

- a. Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b. Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with UIC within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by UIC, and shall include the following:

- a. Name and address of the petitioner(s).
- b. Purpose of water use.
- c. Specific provision(s) of the Plan from which the petitioner is requesting relief.

TEXAS COM. ON ENVIRONMENTAL QUALITY

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- d. Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- e. Description of the relief requested.
- f. Period of time for which the variance is sought.
- g. Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- h. Other pertinent information.

Variations granted by UIC shall be subject to the following conditions, unless waived or modified by UIC:

- a. Variations granted shall include a timetable for compliance.
- b. Variations granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section XII: End of Drought Contingency Water Use Restrictions

When the water system is able to return to normal water use, UIC shall send out the letter attached as Exhibit 6, or otherwise notify the customers of the end of all water use restrictions.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CCN 1267 2/2/07

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EXHIBITS

TEXAS COM. ON ENVIRONMENTAL QUALITY

CCN 1267 MAY 22 '07

APPROVED TARIFF BY SP/SP

EXHIBIT 1

Utilities Investment Company Inc.

Drought Contingency Stage 1

(Date)

Dear Customer:

As a result of _____, the water plant is unable to provide water at the customary levels of pressure.

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage One of the Drought Contingency Plan is now in effect. Stage One includes the following provisions:

1. Water system pressure will be reduced.
2. Voluntary Water Use Restrictions as follows:
 - a. Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6, or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7, or 9), and to irrigate landscapes only between the hours of midnight and 6:00 AM and 8:00 PM to midnight on designated water days.
 - b. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

UIC appreciates your cooperation and perseverance during this Conservation Condition. Once the Conservation Condition ends, we will notify you and you may then return to normal usage. If conditions should worsen, it may be necessary to proceed to Stage 2 at which time you will be notified of the more stringent restrictions, to ensure the availability of water in your community.

Very truly yours, TEXAS COM. ON ENVIRONMENTAL QUALITY

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EXHIBIT 2

Utilities Investment Company Inc.

Drought Contingency Stage 2

(Date)

Dear Customer:

As a result of _____, the water plant is unable to provide water at the customary levels of pressure.

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage Two of the Drought Contingency Plan is now in effect. Stage Two includes the following provisions:

1. Water system pressure will be reduced.
2. Water Use Restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:
 - a. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.
 - b. Irrigation of landscaped areas by automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6, or 8) and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7, or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 6:00 AM and between 8:00 PM and 12:00 midnight on designated watering days. Irrigation of landscaped areas is permitted if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system or a permanently installed automatic system. Portable household sprinklers must also be timed. Total irrigation times for any zone shall not exceed thirty (30) minutes.
 - c. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 AM and between 8:00 PM and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket

TEXAS COM. ON ENVIRONMENTAL QUALITY

CCN 1267 MAY 22 '07

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or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted for these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

- d. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools or Jacuzzi-type pools is prohibited except on designated water days between the hours of 12:00 midnight and 6:00 AM and between 8:00 PM and 12:00 midnight.
- e. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
- f. Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, and use of water from designated fire hydrants for construction purposes is to be discontinued, unless otherwise approved by the Owners of the UIC or the designee of UIC.
- g. All restaurants are prohibited from serving water to patrons except upon request of the patron.
- h. The following uses of water are defined as non-essential and are prohibited:
 - i. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
 - ii. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - iii. use of water for dust control, except where special permit is given for construction projects;
 - iv. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - v. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s), but in no event more than seventy-two hours after notice is given.

Failure to comply with the Water Use Restrictions is deemed a violation of the UIC's Drought Contingency Plan and may result in the termination of water and sewer service to your property. Water and sewer service will not be restored until noncompliance is discontinued and a reconnect fee is paid.

The UIC appreciates your cooperation and perseverance during this Conservation Condition. Once the Conservation Condition ends, we will notify you and you may then return to normal usage. If conditions should worsen, it may be necessary to proceed to Stage 3 at which time you will be notified of the more stringent restrictions, to ensure the availability of water in your community.

Very truly yours, TEXAS COM. ON ENVIRONMENTAL QUALITY

CCN 1267 MAY 22 '07

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EXHIBIT 3

Utilities Investment Company Inc.

Drought Contingency Stage 3

(Date)

Dear Customer:

As a result of _____, the water plant is suffering extreme inability to provide water at the customary levels of pressure.

This condition should be resolved within the next _____ and/or a meeting will be held _____ at _____ M at _____ to explain the situation and possible solutions.

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage Three of the Drought Contingency Plan is now in effect. UIC is aware of the inconvenience of these severe restrictions, but it is imperative that the water supply not only be available for drinking and bathing but also for fire fighters in the event of a residential or commercial facility fire. The following restrictions are now in effect:

1. Water system pressure will be reduced.
2. Water Use Restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:
 - a. Irrigation of landscaped areas is prohibited at all times.
 - b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash or commercial service station and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 8:00 AM and 10:00 AM and between 6:00 PM and 10:00 PM. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

TEXAS COM. ON ENVIRONMENTAL QUALITY

CCN 1207 MAY 22 '07

APPROVED TARIFF BY SP/SP

- c. The filling, refilling, or adding of water to swimming pools, wading pools or Jacuzzi-type pools is prohibited.
- d. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
- e. No applications for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipelines, pipeline extensions, mains or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.
- f. Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, and use of water from designated fire hydrants for construction purposes is to be discontinued.
- g. All restaurants are prohibited from serving water to patrons except upon request of the patron.
- h. The following uses of water are defined as non-essential and are prohibited:
 - i. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas.
 - ii. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - iii. use of water for dust control, except where special permit is given for construction projects;
 - iv. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - v. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s), but in no event more than forty-eight hours after notice is given.

Failure to comply with the Water Use Restrictions is deemed a violation of the UIC's Drought Contingency Plan and may result in the termination of water and sewer service to your property. Water and sewer service will not be restored until noncompliance is discontinued and a reconnect fee is paid.

UIC appreciates your cooperation and perseverance during this Conservation Condition. Once the Conservation Condition ends, we will notify you and you may then return to normal usage.

Very truly yours,

TEXAS COM. ON ENVIRONMENTAL QUALITY

CCN 1267 0002207

APPROVED TARIFF BY SP/SP

EXHIBIT 4

Utilities Investment Company Inc.

CITATION

(Date)

Dear Customer:

You are hereby notified that you are violating the Water Use Restrictions of UIC.

You have been observed:

Attached is a copy of the letter we previously sent to you regarding Drought Stage _____ and the restrictions imposed.

Unless the use of water in a prohibited manner is ceased immediately, water service to your property will be terminated, and service will be restored only upon payment of a reconnect fee.

Sincerely,

TEXAS COM. OF ENVIRONMENTAL QUALITY

CCN 1287 MAY 22 '07

APPROVED TARIFF BY SP/SP

EXHIBIT 5

Utilities Investment Company Inc.

CITATION

(Date)

Dear Customer:

On _____, you were notified that you were violating the Water Use Restrictions of the UIC. This second violation has resulted in the termination of water service to your property. Service will be restored upon discontinuation of the prohibited use and upon payment of a reconnect fee. In addition, you will have to sign a copy of the Water Use Restrictions now in effect. To have service restored you should contact UIC as listed on your monthly utility bill.

We urge you to comply with the provisions of the UIC Drought Contingency Plan.

Sincerely,

TEXAS COM. ON ENVIRONMENTAL QUALITY

CCN 1267 22 '07

APPROVED TARIFF BY SP/SP

EXHIBIT 6

Utilities Investment Company Inc.

(Date)

Dear Customer:

The Drought Condition has ended. You may return to normal water usage. UIC appreciates your cooperation and perseverance during this period and would appreciate your continued attention to water use. Continued water conservation practices will help ensure water availability in the future. Thank you for your efforts.

Sincerely,

TEXAS COM. ON ENVIRONMENTAL QUALITY

CCN 1267 1 MAY 22 2007

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APPENDIX A -- SAMPLE SERVICE AGREEMENT

From 30 TAC Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

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

- II. RESTRICTIONS. The following unacceptable practices are prohibited by State regulations.
 - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.

 - C. No connection which allows water to be returned to the public drinking water supply is permitted.

 - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

 - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

APPENDIX A -- SAMPLE SERVICE AGREEMENT (Continued)

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).

- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
- B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.
- C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

**SEWER UTILITY TARIFF
FOR**

Utilities Investment Company, Inc. dba
Orchard Crossing
(Utility Name)

P.O. Box 11130
(Business Address)

Houston, Texas 77293
(City, State, Zip Code)

281/590-4359
(Area Code/Telephone)

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

20765

This tariff is effective in the following county:

Harris, Montgomery and Liberty

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

None

This tariff is effective in the following subdivisions or systems:

Orchard Crossing: WQ#12863-001

Spring-Cypress Shopping Center: WQ#14172-001

Beau View: WQ#13988-001

Twin Oaks: WQ#12251-001

Montebello Subdivision: WQ#0015012001

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	3
SECTION 3.0 -- EXTENSION POLICY	10

SECTION 1.0--RATE SCHEDULE

Section 1.01--Rates

Meter Size	Monthly Base Rate	Gallage Charge
5/8" or 3/4"	\$ 22.50 (INCLUDING ___-0-___ GALLONS)	\$ 2.50 per 1000 gallons of water usage. Same for all meter sizes
1"	\$ 37.58	
1½"	\$ 74.93	
2"	\$ 119.93	
3"	\$ 225.00	
4"	\$ 375.08	

REGULATORY ASSESSMENT 1.0%
 A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL SEWER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER.

Section 1.02--Miscellaneous Fees

TAP FEE (Residential) \$ 400.00
 TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION.

TAP FEE (Larger Meter) Actual Cost

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$ 25.00
 - b) Customer's request \$ 40.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

SEASONAL RECONNECT FEE Monthly base rate for meter size for each month of disconnection not to exceed six months

TRANSFER FEE \$ 25.00
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT/NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

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

RETURNED CHECK CHARGE \$ 20.00

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

NON-RESIDENTIAL CUSTOMER DEPOSIT 1/6 of estimated annual bill

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TNRCC APPROVAL STAMP

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

314385 CCN 20765 APR 30 97

D.A. APPROVED TARIFF BY Att

SECTION 1.0 -- RATE SCHEDULE
Spring-Cypress Shopping Center

Section 1.01 - Rates - Commercial

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$22.50 (Includes 0 gallons)	\$3.75 per 1000 gallons
1"	\$37.58	same for all meter sizes
1 1/2 "	\$74.93	
2"	\$119.93	
3"	\$225.00	
4"	\$375.08	

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash___, 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%

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$400.00

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

TAP FEE (Large meter) Actual Cost

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

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 \$40.00

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%

TNRCC 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.

RATES LISTED ARE EFFECTIVE ONLY IF
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33436 C CCN 20765 AUG 16 '01

APPROVED TARIFF BY Lu/LM

SECTION 1.0 -- RATE SCHEDULE (Continued)
Spring-Cypress Shopping Center

TRANSFER FEE \$25.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE
LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RETURNED CHECK CHARGE \$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE
WHEN AUTHORIZED IN WRITING BY TNRCC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY
INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30
TAC 291.21(K)(2)]

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

RATES LISTED ARE EFFECTIVE ONLY IF
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3 34 36 C CCN 20765 AUG 16 '01

APPROVED TARIFF BY Sam/LM

SECTION 1.0 -- RATE SCHEDULE
Beau View

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Flat Fee</u>
5/8" or 3/4"	<u>\$30.00</u>
1"	<u>\$37.50</u>
2"	<u>\$125.00</u>
3"	<u>\$225.00</u>

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

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

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

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$40.00

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00
TNRCC 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.

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TEXAS COMM. ON ENVIRONMENTAL QUALITY

340610 CCN 20765 APR 11 03

APPROVED TARIFF BY [Signature]

SECTION 1.0 -- RATE SCHEDULE (Continued)
Beau View

TRANSFER FEE \$25.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE
LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RETURNED CHECK CHARGE \$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE
WHEN AUTHORIZED IN WRITING BY TNRCC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY
INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30
TAC 291.21(K)(2)]

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

RATES LISTED ARE EFFECTIVE ONLY IF
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TEXAS COMM. ON ENVIRONMENTAL QUALITY

340610 CCN 20765 APR 11 03

APPROVED TARIFF BY *Lm/LM*

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallorage Charge</u>
5/8" or 3/4"	\$22.50 (Includes 0 gallons)	\$2.50 per 1000 gallons of water usage same for all meter sizes
1"	\$37.58	
1 1/2"	\$74.93	
2"	\$119.93	
3"	\$225.00	
4"	\$375.08	

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash____, 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 \$400.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large meter) Actual Cost

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

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$40.00

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SECTION 1.0 -- RATE SCHEDULE (Continued)

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%
TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE
MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS
BILLING.

SEASONAL RECONNECT FEE Monthly base rate for meter size for each month
of disconnection not to exceed six months

TRANSFER FEE \$25.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE
LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RETURNED CHECK CHARGE \$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF 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. [30 TAC 291.21(K)(2)]

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

RATES LISTED ARE EFFECTIVE ONLY IF
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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>
5/8" or 3/4"	<u>\$30.00</u>
1"	<u>\$37.50</u>
2"	<u>\$125.00</u>
3"	<u>\$225.00</u>

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash____, 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 \$600.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF
LISTED ON THIS TARIFF.

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

RATES LISTED ARE EFFECTIVE ONLY IF
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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..... \$40.00

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00
TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

TRANSFER FEE..... \$25.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RETURNED CHECK CHARGE \$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF 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. [30 TAC 291.21(K)(2)]

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

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SECTION 2.0--SERVICE RULES AND REGULATIONS

Section 2.01--Texas Natural Resource Conservation Commission Rules

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Rates, 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 2.02--Application for and Provision of Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before sewer service is provided by the utility. A separate application or contract will be made for each service at each separate location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install service connections, which may include a 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.

Where service has previously been provided, the utility will reconnect the service within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

Section 2.03--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 TNRCC 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 2.04--Customer Deposits

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

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

314385CCN 20755 APR 30 97

D.A. APPROVED TARIFF BY At

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

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

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

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

Section 2.05--Meter Requirements, Readings, and Testing

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. When a sewer utility is operated in conjunction with a water utility which serves the same customers, the charge for sewage disposal service may be based on the winter months average monthly consumption of water as registered on the customer's water meter. One connection is required for each residential, commercial or industrial facility in accordance with the TNRCC Rules.

Section 2.06--Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the 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. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

A late penalty of either \$2.00 or 5.0% 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.

Each bill will provide all information required by the TNRCC Rules. For each of the systems it operates, the utility will maintain and note on the monthly billing a telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

314380 CCN 20765 APR 30 97

D.A. APPROVED TARIFF BY Att

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

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 2.07--Service Disconnection

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 TNRCC Rules.

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

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08--Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09--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.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

31438-CCN 20765 APR 30 97

D.A. APPROVED TARIFF BY Att

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

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 2.10--Quality of Service

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

Section 2.11--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 Texas Natural Resource Conservation Commission 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.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

31438-000 20755 APR 30 7

D.A. APPROVED TARIFF BY Att

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with the TNRC Rules to be effective.

The utility adopts the administrative rules of the Texas Natural Resource Conservation Commission, as the same may be amended from time to time, as its company specific services rules and regulations. These rules will be kept in file at the company's offices for customer inspection during regular business hours.

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 check which has: insufficient funds in the account to cover it, upon which payment has been stopped, or which has not been signed, shall be deemed to be delinquent. All returned checks must be redeemed with cash or money order. If a customer has two returned checks within a twelve month period, that customer shall be required to pay a deposit if one has not already been paid and make future payments by cash or money order for a period of twelve months.

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others under his control.

The disposal into the utility's sewer collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption for sale to the public shall be prohibited. Specifically included in this prohibition are grease and oils from grease traps to other grease and/or oil storage containers. These substances are defined as "garbage" under Section 361.003 (12) of the Solid Waste Disposal Act, Texas Health and Safety Code, and are not "sewage" as defined by Section 26.001 (7) of the Texas Water Code. The utility only provides "sewage" collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that it cannot reasonably be processed by the utility's state-approved waste water treatment plant within the parameters of the utility's state and federal waste water discharge permits. **THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.**

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

Pursuant to Texas Natural Resource Conservation Commission Rule 291.86(n), the utility may charge for all labor, material, equipment, and other costs necessary to repair to replace all equipment damaged due to service diversion or the discharge of wastes which the system cannot properly treat. This shall include all repair and clean up costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the regulatory authority having rate/tariff jurisdiction and filed in the utility's tariff.

Pursuant to Texas Natural Resource Conservation Commission Rule 291.85(b) (3) (A) and (B), the customer's service line and appurtenances shall be construed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the National Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If the utility can provide evidence of excessive, infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the TNRCC's executive director, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer fails to correct the problem within a reasonable time, the utility may disconnect service after proper notice.

Any and all sewer lines, tanks, pumps and other equipment furnished by the Utility (excepting the Customer's individual service lines from the point of connection to Customer's structures on Customer's premises) are and shall remain the sole property of the Utility, and nothing contained herein shall be construed to reflect a sale or transfer of any such meters, lines or equipment to any customer. All tap charges shall be for the privilege of connecting to said lines and equipment.

In accordance with the requirements of Utility's Waster Discharge Permit, any and all repairs and maintenance of Utility's lines, tanks, pumps and equipment located on Customer's premises shall be performed exclusively by the Utility.

Copies of the utility's state and federal waste water discharge permits shall be available for public inspection and copying in the utility's business office during normal business hours.

Non-residential customers electing the pretreatment option for sewage with non-standard characteristics may be charge those costs set forth in the

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

utility's extension policy if such pretreatment fails or otherwise causes the utility's facilities to violate their waste-water discharge permits.

Any applicant or existing customer required to pay any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to 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 have the right to appeal such costs to the TNRCC 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.

The utility shall have the right of access to the customer's premises at all reasonable times for the purpose of installing, inspecting or repair sewer mains or other equipment used in connection with its provision of sewer utility services, for inspecting customer plumbing for code, plumbing or tariff violations, for the purpose of removing its property and disconnecting lines, or other purposes necessary to the operation of the utility system.

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.

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

COST UTILITIES SHALL BEAR. Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Natural Resource Conservation Commission's Rules.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

31438-00N 20755 APR 30 '97

D.A. APPROVED TARIFF BY Att

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

Developers will 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 Texas Natural Resource Conservation Commission's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

The utility adopts the administrative rules of the Texas Natural Resource Conservation Commission, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours.

Non-residential customers generating sewage creating unique or non-standard treatment demands which might reasonably be expected to cause the utility's treatment facilities to operate outside their current waste-water discharge permit parameters may be charged the cost of all studies, engineering plans, permit costs, and collection treatment or discharge facilities construction or modification costs necessary to enable the utility to treat said sewage within permit limits acceptable to the Texas Natural Resource Conservation Commission, EPA and other regulatory agencies. In the alternative, the customer may have the option of pre-treating said sewage in such a manner to that it may not reasonably be expected to cause the utility's facilities to operate outside their permit parameters. In such case, the customer shall be required to pay the utility's costs of evaluating such pretreatment processes and cost of obtaining regulatory approval of such pretreatment processes. In the event of the pretreatment facilities of a customer making this election fail and cause the utility's facilities to operate outside their permit parameters, the customer shall indemnify the utility for all costs incurred for clean ups or environmental remediation and all fines, penalties, and costs imposed by regulatory or judicial enforcement actions relating to such permit violations.

Any applicant or existing customer required to pay any costs not

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to 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 have the right to appeal such costs to the TNRCC 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. Unless the TNRCC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

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