



## **Filing Receipt**

**Filing Date - 2023-08-03 09:09:45 AM**

**Control Number - 53243**

**Item Number - 47**

**DOCKET NO. 53243**

<b>APPLICATION OF MAUKA WATER</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>LP AND JAMES A. DYCHE DBA</b>	<b>§</b>	
<b>CREST WATER COMPANY FOR</b>	<b>§</b>	<b>OF TEXAS</b>
<b>SALE, TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN JOHNSON COUNTY</b>	<b>§</b>	

**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of Mauka Water, LP and James A. Dyche dba Crest Water Company for approval of the sale, transfer, or merger of facilities and certificate rights in Johnson County. The Commission approves the sale and transfer of all facilities and service area held under Mauka Water's certificate of convenience and necessity (CCN) number 12917 to Crest Water, the cancellation of Mauka Water's CCN number 12917, and the amendment of Crest Water's CCN number 12037 to include the facilities and service area previously included in Mauka Water's CCN number 12917.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicants**

1. Mauka Water is a Texas limited partnership registered with the Texas secretary of state under file number 12461710.
2. Mauka Water operates, maintains, and controls facilities for providing retail water service in Johnson County under CCN number 12917.
3. Mauka Water owns and operates a public water system that serves the Hills of Springwood subdivision in Johnson County and is registered with the Texas Commission on Environmental Quality (TCEQ) under the name Mauka, identification number 1260123.
4. James A. Dyche is a sole proprietor operating under the assumed name Crest Water Company.
5. Crest Water operates, maintains, and controls facilities for providing retail water service in Ellis, Hill, Johnson, Somervell, and Tarrant counties under CCN number 12037.

6. Crest Water owns and operates several public water systems registered with the TCEQ in Ellis, Hill, Johnson, and Somervell counties.

**Application**

7. On February 18, 2022, Mauka Water and Crest Water filed the application at issue in this proceeding.
8. In the application, the applicants seek approval of the sale and transfer of all facilities and service area under Mauka Water's CCN number 12917 to Crest Water, the cancellation of Mauka Water's CCN number 12917, and the amendment of Crest Water's CCN number 12037 to include the facilities and service area previously included in Mauka Water's CCN number 12917.
9. On March 2, 22, and 25, April 18, and May 31, 2022, Crest Water supplemented the application.
10. The requested area subject to the transaction is located approximately 2.4 miles northwest of downtown Venus, Texas, and is generally bounded on the north by County Road 510; on the east by North Farm-to-Market Road 157; on the south by North Farm-to-Market Road 157 and County Road 507; and on the west by County Road 616.
11. The requested area includes 339 current customers and 371 acres.
12. In Order No. 4 filed on June 6, 2022, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

**Notice**

13. On July 18, 2022, Crest Water filed the affidavit of Marcia Dyche, authorized representative of Crest Water, attesting that notice of the application was provided to all current customers of Mauka Water, neighboring utilities, and affected parties on July 6, 2022.
14. In Order No. 5 filed on August 2, 2022, the ALJ deemed the notice sufficient.
15. On July 6, 2023, Crest Water filed the affidavit of Mr. Dyche attesting that there are no landowners with a tract of land that is at least 25 acres that is wholly or partially within the requested area.

16. In Order No. 15 filed on July 17, 2023, the ALJ found notice sufficient.

**Evidentiary Record**

17. In Order No. 8 filed on November 3, 2022, the ALJ admitted the following evidence into the record:

- (a) Mauka's and Crest Water's application and all attachments thereto, including confidential attachments, filed on February 18, 2022;
- (b) the applicants' mapping information filed on March 2, 2022;
- (c) Commission Staff's recommendation on administrative completeness filed on March 18, 2022;
- (d) Crest Water's supplement to the application filed confidentially on March 22, 2022;
- (e) Crest Water's response to Order No. 2 and all attachments filed on April 18, 2022;
- (f) Crest Water's supplement to the application filed confidentially on April 18, 2022;
- (g) Crest Water's supplement to the application filed on May 31, 2022;
- (h) Commission Staff's supplemental recommendation on administrative completeness and notice filed on June 3, 2022;
- (i) the applicants' proof of notice filed on July 18, 2022;
- (j) Commission Staff's recommendation on sufficiency of notice filed on July 28, 2022; and
- (k) Commission Staff's final recommendation on the transaction, including confidential attachments, filed on September 16, 2022.

18. In Order No. 17 filed on July 26, 2023, the ALJ admitted the following evidence into the record:

- (a) the applicants' closing documents filed on February 8, 2023;
- (b) Commission Staff's recommendation on sufficiency of closing documents filed on March 8, 2023;
- (c) the applicants' consent forms filed on March 31 and April 10, 2023;

- (d) the map, certificate, and tariff attached to the joint motion to admit evidence and proposed notice of approval filed on May 1, 2023;
- (e) Crest Water's response to Order No. 14 filed on June 8, 2023;
- (f) Crest Water's affidavit of notice filed on July 6, 2023; and
- (g) Commission Staff's recommendation on the sufficiency of supplemental notice filed on July 7, 2023.

### Sale

- 19. In Order No. 9 filed on November 7, 2022, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had closed and that customer deposits, if any, had been addressed.
- 20. On February 8, 2023, the applicants filed notice that the sale had closed on February 6, 2023, and that there were no customer deposits to be addressed.
- 21. In Order No. 13 filed on March 10, 2023, the ALJ found the closing documents sufficient.

### Purchaser's Compliance History

- 22. Crest Water does not have any violations listed in the TCEQ database.
- 23. Crest Water has not been subject to any unresolved enforcement action by the Commission, the TCEQ, the Texas Department of Health and Human Services, the Office of the Attorney General of Texas, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.
- 19. There is no evidence in the record that Crest Water has a history of continuing mismanagement or misuse of revenues as a utility service provider.
- 20. Crest Water demonstrated a compliance history adequate for approval of the transaction.

### Adequacy of Existing Service

- 21. There are currently 339 customers receiving water service from Mauka Water's public water system.
- 22. Crest Water has operated Mauka Water's public water system for approximately three years.
- 23. Mauka Water does not have any violations listed in the TCEQ database.

24. Crest Water has the ability to provide continuous and adequate service to the requested area.

**Need for Additional Service**

25. There is a continuing need for service because Mauka Water is currently providing service to 339 connections in the requested area.
26. This is an application to transfer only existing facilities, customers, and service area.
27. There have been no specific requests for additional service within the requested area.

**Effect of Approving the Transaction and Granting the Amendment**

28. Approving the transaction and transferring the certificated area will obligate Crest Water to provide continuous and adequate water service to current and future customers in the requested area.
29. All retail public utilities in the proximate area were provided notice of the transaction taking place in this application and none filed a protest or motion to intervene.
30. Because this is an application to transfer only existing facilities, customers, and service area, there will be no effect on any other retail public utility providing service in the proximate area.
31. There will be no effect on landowners as the requested area is currently certificated.

**Ability to Serve: Managerial and Technical**

32. Crest Water owns and operates several public water systems registered with the TCEQ and will contract with TCEQ-licensed operators who will be responsible for operating the public water system being transferred.
33. Crest Water has been operating Mauka Water's water system for approximately three years.
34. Crest Water has the technical and managerial capability to provide adequate and continuous service to the requested area.

**Ability to Serve: Financial Ability and Stability**

35. Crest Water has a debt-to-equity ratio that is less than one, satisfying the leverage test.

36. Crest Water demonstrated it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the proposed transaction, satisfying the operations test.
37. No capital improvements to the water system being transferred are necessary for Crest Water to provide continuous and adequate service to existing customers.
38. Crest Water demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

**Financial Assurance**

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

**Regionalization or Consolidation**

40. Crest Water will not need to construct a physically separate water system to continue serving the requested area; therefore, consideration of regionalization or consolidation with another retail public utility is not required.

**Feasibility of Obtaining Service from an Adjacent Retail Public Utility**

41. Mauka Water is currently serving customers in the requested area with existing facilities and has sufficient capacity.
42. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed. At a minimum, an interconnect would need to be installed in order to connect a neighboring retail public utility.
43. It is not feasible to obtain service from an adjacent retail public utility.

**Environmental Integrity and Effect on the Land**

44. There will be no effect on environmental integrity or the land because no additional construction is needed to provide service to the requested area.

**Improvement of Service or Lowering Cost to Consumers**

45. The rates charged to customers in the requested area will be higher as a result of the proposed transaction.

46. Reliability and quality of water service are expected to improve under Crest Water's management.

**Tariff, Map and Certificate**

47. On March 31, 2023, Commission Staff emailed to the applicants the final proposed map, certificate, and tariff related to this docket.
48. On March 31, 2023, Mauka filed its consent form concurring with the final proposed map.
49. On April 6, 2023, Commission Staff revised the proposed tariff and emailed the revised tariff, final proposed map, and certificate to the applicants.
50. On April 10, 2023, Crest Water filed its consent form concurring with the final proposed map, certificate, and revised tariff.
51. The final proposed map, certificate, and revised tariff were included as attachments to the joint motion to admit evidence filed on May 1, 2023.

**Informal Disposition**

53. More than 15 days have passed since the completion of notice provided in this docket.
53. No person filed a protest or motion to intervene.
54. Mauka, Crest Water, and Commission Staff are the only parties to this proceeding.
55. No party requested a hearing and no hearing is needed.
56. Commission Staff recommended approval of the application.
57. This decision is not adverse to any party.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Mauka and Crest Water are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Notice of the application was provided in compliance with TWC §§ 13.246(a) and 13.301(a)(2), and 16 TAC § 24.239(a) through (c).



4. Mauka and Crest Water's application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,<sup>1</sup> and Commission rules.
6. Mauka and Crest Water have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Mauka and Crest Water completed the sale within the time frame required by 16 TAC § 24.239(m).
8. After consideration of the factors in TWC § 13.246(c) Crest Water demonstrated that it is capable of rendering continuous and adequate service to every customer within the requested area, as required by TWC § 13.251.
9. Crest Water demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service in the requested area as required by TWC §§ 13.241(a) and 13.301(b).
10. It is not necessary for Crest Water to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
11. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water system is not required.
12. Mauka and Crest Water demonstrated that the sale and transfer of Mauka's water facilities and service area within CCN number 12917 to Crest Water, the cancellation of Mauka's CCN number 12917, and the amendment of Crest Water's CCN number 12037 will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC §§ 13.246(b) and 13.301(d) and (e).
13. Under TWC § 13.257(r) and (s), Crest Water must record a certified copy of the certificate and map approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Johnson County, Texas within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording.

---

<sup>1</sup> Tex. Gov't Code §§ 2001.001-.903.

14. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

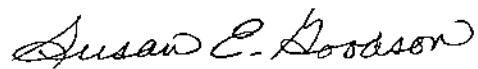
### III. Ordering Paragraphs

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

1. The Commission approves the sale and transfer of all of Mauka's facilities, customers, and service area under CCN number 12917 to Crest Water, as shown on the attached map.
2. The Commission amends Crest Water's CCN number 12037 to include the facilities, customers, and service area previously included in Mauka's CCN number 12917, as shown on the attached map.
3. The Commission cancels Mauka's water CCN number 12917.
4. The Commission approves the map and tariff attached to the Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. Crest Water must provide service to every customer or applicant for service within the approved area under water CCN number 12037 that requests service and meets the terms of Crest Water's water service policies, and such service must be continuous and adequate.
7. Crest Water must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Johnson County affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of the Notice of Approval.
8. Within ten days of the date this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of Crest Water's water tariff to be stamped *Approved* and retained by Central Records
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 3rd day of August 2023.

**PUBLIC UTILITY COMMISSION OF TEXAS**



---

**SUSAN E. GOODSON**  
**ADMINISTRATIVE LAW JUDGE**



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **James A. Dyche dba Crest Water Company**

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, James A. Dyche dba Crest Water Company is entitled to this



### **Certificate of Convenience and Necessity No. 12037**

to provide continuous and adequate water utility service to that service area or those service areas in Ellis, Hill, Johnson, Somervell, and Tarrant counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53243 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the James A. Dyche dba Crest Water Company to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

James A. Dyche dba Crest Water Company  
Portion of Water CCN No. 12037  
PUC Docket No. 53243  
Transferred all of Mauka Water Ltd., CCN No. 12917 in Johnson County



**Water CCN**

-  12037 - James A Dyche
-  10081 - Johnson County SUD

0 500 1,000  
Feet





**WATER UTILITY TARIFF**  
**Docket No 53243**

James A. Dyche dba Crest Water Company  
(Utility Name)

P.O. Box 460, 840 Betsy Road  
(Business Address)

Keene, Texas 76049  
(City, State, Zip Code)

(817) 645-5493  
(Area Code/Telephone)

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

12037

This tariff is effective in the following counties:

Ellis, Hill, Johnson, Somervell, Tarrant

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

None

This tariff is effective in the following subdivisions or systems:

See Attached List

**TABLE OF CONTENTS**

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

SECTION 1.0 – RATE SCHEDULE .....	3
SECTION 2.0 – SERVICE RULES AND POLICIES .....	5
SECTION 2.20 – SPECIFIC EXTENSION POLICY.....	10

**APPENDIX A – DROUGHT CONTINGENCY PLAN**

List of Subdivisions/Systems

<b>SUBDIVISION</b>	<b>PWS ID NUMBER</b>	<b>COUNTY</b>
Buffalo Hills Water System	0700070	Ellis
Chisholm Trail Retreat	1090042	Hill
Cahill Country Water System	1260073	Johnson
Fisherman's Paradise	1260056	Johnson
Granda Vista	1260120	Johnson
Mansfield South	1260066	Johnson
Mauka (Hills of Springwood)	1260123	Johnson
Mustang Creek Estates	2200353	Tarrant
Northcrest Addition	1260034	Johnson
Oak Leaf Trail	1260104	Johnson
Oakridge Mobile Home Subdivision	1260124	Johnson
Oak River Ranch	2130031	Somervell
Rolling Oaks Subdivision	1260064	Johnson
Sunset Canyon	NA	Johnson
Sunshine Country Acres	1260069	Johnson
Thomas Acres	1260068	Johnson
Westover Hills	1260128	Johnson
Woodland Oaks Estates	1260070	Johnson

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$39.00</u>	\$4.60 per 1,000 gallons for 0 – 10,000 gallons
1"	<u>\$97.50</u>	\$4.85 per 1,000 gallons for 10,001 – 20,000 gallons
2"	<u>\$195.00</u>	\$5.10 per 1,000 gallons for 20,001 – 30,000 gallons
3"	<u>\$312.00</u>	\$5.35 per 1,000 gallons for 30,001 – 40,000 gallons
		\$5.60 per 1,000 gallons for 40,001–50,000 gallons
		\$5.85 per 1,000 gallons for 50,001 – 60,000 gallons
		\$6.10 per 1,000 gallons for 60,001 – 70,000 gallons
		\$6.35 per 1,000 gallons for 70,001 + gallons

**Purchased Water Fee: (Tariff Control No. 46600)**

Prairielands Groundwater Conservation District Fee: .....\$0.023 per each 1,000 gallons

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

Cash , Check , Money Order , MasterCard , Visa , Electronic Fund Transfer

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

**Section 1.02 – Miscellaneous Fees**

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

TAP FEE ..... \$550.00  
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

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



SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (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) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected .....\$40.00

**TRANSFER FEE** .....\$40.00

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

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

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

**RETURNED CHECK CHARGE** .....\$35.00

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

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

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

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:**

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

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

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

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$21.00 (includes 0 cubic feet)	\$1.50 per 100 cubic feet, 1 <sup>st</sup> 1,337 cubic feet
1"	\$33.40	\$2.20 per 100 cubic feet thereafter
1½ "	\$66.60	
2"	\$106.60	
3"	\$200.00	
4"	\$333.40	

Cubic Feet X 7.481 = Gallons

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

Cash  (if in person), Check , 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%  
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$500.00  
 THE TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED AS LISTED ON THIS TARIFF.

TAP FEE (Unique costs) ..... Actual Cost  
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF A SUBDIVISION IS A UNIQUE COST. UNIQUE COSTS WILL BE DETERMINED ON A CASE-BY-CASE BASIS.

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

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 RELOCATION THAT AN EXISTING METER BE RELOCATED.

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE .....	<u>\$25.00</u>
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) .....	<u>\$25.00</u>
b) Customer's request .....	<u>\$45.00</u>
TRANSFER FEE .....	<u>\$45.00</u>
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.	
LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) .....	<u>\$5.00</u>
PUC RULES ALLOW A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.	
RETURNED CHECK CHARGE .....	<u>\$25.00</u>
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.	
CUSTOMER DEPOSIT – RESIDENTIAL (Maximum \$50) .....	<u>\$50.00</u>
COMMERCIAL OR NON-RESIDENTIAL DEPOSIT .....	<u>1/6TH OF ESTIMATED ANNUAL BILL</u>
GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE: .....	<u>N/A</u>
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]	
LINE EXTENSION AND CONSTRUCTION CHARGES:	
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.	

**Mustang Creek Estates**

**Formerly Shelcon Services**

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE (Continued)

**PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:**

The utility's cost attributed to the water use pumping fees charged by Prairielands Groundwater Conservation District in Ellis County shall be passed through to all customers affected by such fees using the following calculations.

Fixed Charge:

Monthly Minimum Charge + (Annual Fee ÷ Numbers of Customers Affected ÷ 12 months)

Volume Charge:

Monthly Gallonage Charge per 1000 gallons + (Increase or Decrease in Pumpage Fee x 1.15)

To implement or modify the Pass through Adjustment Clause, the utility must comply with all notice requirements of 16 TAC §24.25(b)(2)(F).

Adjusted Gallonage Rate (AG) =  $G + [B / (1-L)]$ , where:

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

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

B = change in fee per 1,000 gallons;

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

## SECTION 2.0 -- SERVICE RULES AND POLICIES

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

### Section 2.01 — Application for Water Service

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

### Section 2.02 — Water Installation

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and cut-off valve and/or take all necessary actions to initiate service. The utility shall serve each qualified applicant for service within its certified area as rapidly as is practical after accepting a completed application. The utility shall provide service in a timely manner on a non-discriminatory basis.

Service requests not involving line extensions, construction or new facilities shall be filled no later than fourteen (14) working days after a completed application has been accepted. If construction is required which cannot be completed within thirty (30) days, the utility shall provide a written explanation of the construction required and an expected date of service. Service shall be provided within thirty (30) days of the expected date, but no later than 180 days after a completed application was accepted. Failure to provide service within this time frame shall constitute refusal to serve.

### 2.03 — Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with both state and municipal regulations, the rules and regulations of the utility on file with the Commission and for the following reasons:

1. The applicant's installation or equipment is known to be inadequate or of such character that satisfactory service cannot be given;
2. The applicant is indebted to any utility for the same kind of service as that applied for, provided, however, that in the event the indebtedness of the applicant is in dispute, the applicant shall be served upon complying with the deposit requirement of the utility; or,
3. Refusal to make a deposit, if the applicant is required to make a deposit by the utility.

In the event that the utility shall refuse to serve an applicant, the utility must inform the applicant of the basis of its refusal. The utility is also required to inform the applicant that it may file a complaint with the Commission.

## SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

### 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 – Miscellaneous Fees of this tariff.

The utility must keep records of the deposit, issue a receipt for it, and credit interest in accordance with PUC Rules. The utility shall maintain all funds received as customer deposits in a separate, federally insured, interest bearing account and shall use such funds only for the purpose of payment of unpaid bills guaranteed by such deposits, payment of interest to depositors, and refund of deposits to depositors.

The utility must automatically refund the deposit plus accrued interest:

1. If service is not connected;
2. After disconnection of service if the deposit or portion of the deposit exceeds any unpaid bills; or,
3. To any residential customer who has paid service bills for 12 consecutive months without being disconnected for non-payment and without more than two occasions in which a bill was delinquent. The refund need not be made if payment on the current bill is delinquent.

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.

### Section 2.05 — Meter Requirements, Readings, and Testing

All water sold by the utility will be billed based on meter measurements. The utility shall provide, install, own and maintain meters to measure amounts of water consumed by its customers. No meter shall be placed in service unless its accuracy has been established.

One meter is required for each residential, commercial, or industrial connection. An apartment building or a trailer or mobile home park may be considered to be a single commercial facility.

Service meters shall be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period. If the circumstances warrant, meters may be read at other than monthly intervals.

Upon request, a customer may have his meter tested, without charge, in his presence or in that of his authorized representative, at a convenient time to the customer, but during the utility's normal working hours. A charge not to exceed that specified in Section 1 of this tariff may be assessed for an additional test.

(Utility Name)

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.06 — Billing

Bills from the utility shall be rendered monthly unless otherwise authorized by the Commission. Payment is considered late if not received at the utility's office or postal address within sixteen (16) days of the billing date. The postmark on the envelope of the bill or the recorded date of mailing by the utility, if there is no postmark on the envelope, shall constitute proof of the date of issuance.

A one-time penalty may be made on delinquent bills as specified in Section 1 of this tariff. However, no such penalty may be collected unless a record of the date of mailing is made at the time of the mailing and maintained at the principal office of the utility.

Each bill shall show the following information (if applicable):

1. The date and reading of the meter at the beginning and at the end of the period for which the bill is rendered;
2. The number and kind of units metered;
3. The applicable rate schedule, title, or code;
4. The total amount due for water service;
5. The due date of the bill;
6. The date by which customers must pay the bill in order to avoid addition of a penalty;
7. The total amount due as penalty for nonpayment within a designated period;
8. A distinct marking to identify an estimated bill; and,
9. Any conversions from meter reading units to billing units from recording or other devices, or any other factors used in determining the bill.

The information required in items 1-9 above shall be arranged to allow the customer to readily compute his bill with a copy of the utility's rate schedule which shall be provided by the utility at the request of the customer.

In the event of a dispute between the customer and a utility regarding any bill for utility service, the utility shall conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility shall inform the customer that a complaint may be filed with the Commission.

Section 2.07—Service Disconnection

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 has been given.

Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The notice must also list the past due balance.

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Utility service may be disconnected after proper notice for any of the following reasons:

1. Failure to pay a delinquent account or to comply with a deferred payment agreement;
2. Willful violation of a utility usage rule when that violation interferes with another customer's service; or,
3. Failure to comply with valid deposit or guarantee arrangements.

Service may only be disconnected without notice as follows:

1. When a known dangerous condition exists, for as long as the condition exists;
2. When service is established through meter bypassing, an unauthorized connection or unauthorized reconnection; or,
3. In instances of tampering with the utility company's meter or equipment.

A utility may not disconnect any customer for failure to pay for merchandise or service unrelated to utility service, even if the utility provides that merchandise or those services. A utility may not disconnect any customer for a previous occupant's failure to pay.

Utility personnel must be available to make collections 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 because of a hazardous condition.

### Section 2.08—Service Interruptions

The utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, each utility shall keep a complete record of all interruptions, both emergency and scheduled.

The Commission shall be notified in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice shall also state the cause of such interruptions.

### Section 2.09—Termination of Utility Service

No utility may abandon any customer or any portion of its service area without prior written notice to affected customers and neighboring utilities and prior Commission approval.

### Section 2.10 —Quality of Service

Each utility must 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. Minimum residual pressure at the consumer's meter shall be at least 20 psi during periods of peak usage and 35 psi during normal operating conditions.



SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

The water system quantity requirements of the Texas Department of Health shall be the minimum standards for determining the sufficiency of production, treatment, storage, transmission and distribution facilities of water utilities for household usage. Additional capacity shall be provided to meet the reasonable local demand characteristics of the service area.

Each utility shall furnish water which has been approved by the Texas Department of Health. The application of Commission rules shall not relieve the utility from complying with the requirements of the laws and regulations of the state, local department of health, local ordinances and all other regulatory agencies having jurisdiction over such matters.

**SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND REGULATIONS**

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

None.

**APPENDIX A – DROUGHT CONTINGENCY PLAN**

(This page incorporates by reference the utility's Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.)