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DOCKET NO. 53430

APPLICATION OF CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY	§	
LLC AND WATER WORKS I AND II	§	OF TEXAS
FOR SALE, TRANSFER, OR MERGER	§	
OF FACILITIES AND CERTIFICATE	§	
RIGHTS IN LLANO COUNTY	§	
	§	

NOTICE OF APPROVAL

This Order addresses the application of CSWR-Texas Utility Operating Company, LLC and Water Works I and II for approval of the sale, transfer, or merger of facilities and certificate rights in Llano County. The Commission approves the following: (1) the sale and transfer of all facilities and service area held under Water Works' certificate of convenience and necessity (CCN) number 11674 to CSWR-Texas; (2) the cancellation of Water Works' CCN number 11674; and (3) the amendment of CSWR-Texas' CCN number 13290 to include the facilities and service area previously included in Water Works' CCN number 11674.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 803367893.
2. CSWR-Texas holds CCN number 13290 which obligates it to provide retail water service in its certificated service areas in multiple counties in Texas.
3. CSWR-Texas owns multiple public water systems registered with the Texas Commission on Environmental Quality (TCEQ).
4. Water Works is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Llano County under CCN number 11674.
5. Water Works operates two public water systems registered with the TCEQ as Water Works I Floyd Acres and Water Works II Island Lodges under identification numbers 1500018 and 1500019, respectively.

Application

6. On February 22, 2022, in Docket No. 53259,¹ CSWR-Texas and Cody and Anita Lewis dba Cassie Water Company, Deer Springs Water Company, and Water Works I and II filed an application for sale, transfer, or merger of facilities and certificate rights in Burnet and Llano counties.
7. CSWR-Texas supplemented the application in Docket No. 53259 on February 25 and March 28, 2022.
8. In Order No. 2 filed on April 4, 2022, in Docket No. 53259, the ALJ severed the application into three dockets: Docket Nos. 53259, 53429,² and the present docket, which only includes CSWR-Texas and Water Works.
9. CSWR-Texas supplemented the application on April 5, 6, 19, and 28, May 9, and June 14 and 20, 2022.
10. In the application, as severed, the applicants seek approval of the following:
 - a. CSWR-Texas' acquisition of Water Works' water facilities and service area held under CCN number 11674;
 - b. The cancellation of Water Works' CCN number 11674; and
 - c. The amendment of CSWR-Texas' CCN number 13290 to include the facilities and service area previously held under Water Works' CCN number 11674.
11. The Water Works I requested area is located approximately 12.7 miles east of downtown Llano, Texas, and is generally bounded on the north by Lake Buchanan; on the east by Lake Buchanan; on the south by State Highway 261; and on the west by State Highway 261.
12. The Water Works II requested area is located approximately 11.8 miles west of downtown Burnet, Texas, and is generally bounded on the north by Lake Buchanan; on the east by Lake Buchanan; on the south by State Highway 29; and on the west by Lake Buchanan.

¹ *Application of CSWR-Texas Utility Operating Company LLC and Cody and Anita Lewis dba Cassie Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Llano County, Docket No. 53259, Notice of Approval (May 13, 2024).*

² *Application of CSWR-Texas Utility Operating Company LLC and Deer Springs Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 53429 (pending).*

13. Collectively, the requested areas include approximately 137 acres and 84 customer connections.
14. In Order No. 3 filed on May 9, 2022, the ALJ found the application, as supplemented, administratively complete.

Notice

15. On June 6, 2022, CSWR-Texas filed the affidavit of Aaron Silas, regulatory case manager of CSWR-Texas, attesting that notice was provided to all current customers, neighboring utilities, and affected parties on May 23, 2022.
16. In Order No. 4 filed on June 23, 2022, the ALJ found notice sufficient.
17. On April 30, 2024, CSWR-Texas filed the affidavit of Eric Rocchio, regulatory case manager for CSWR-Texas, attesting that there are no landowners owning tracts of land over 25 acres wholly or partly inside the requested area.
18. In Order No. 21 filed on May 28, 2024, the ALJ found the notice, as supplemented, sufficient.

Intervention

19. In Order No. 7 filed on July 12, 2022, the ALJ granted the motion to intervene filed by Mark Blankenship, limited to his capacity as a customer of Water Works.
20. On August 23, 2022, Mark Blankenship filed a request to withdraw his intervention.
21. In Order No. 9 filed on August 26, 2022, the ALJ granted Mr. Blankenship's request to withdraw his intervention and dismissed Mr. Blankenship as a party to this proceeding.

Evidentiary Record

22. In Order No. 10 filed on August 30, 2022, the ALJ admitted the following evidence into the record:
 - a. the application, including confidential attachments, filed on February 22, 2022, in Docket No. 53249;
 - b. CSWR-Texas' supplements to the application, including all confidential attachments, filed on April 5, 6, 19, and 28, May 9, and June 14 and 20, 2022;

- c. Commission Staff's recommendation on administrative completeness filed on May 6, 2022;
 - d. CSWR-Texas' affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential exhibit B, filed on June 6, 2022;
 - e. CSWR-Texas' letter regarding proof of notice filed on June 17, 2022;
 - f. Commission Staff's recommendation on sufficiency of notice filed on June 22, 2022;
 - g. CSWR-Texas' response to motion to intervene filed on June 24, 2022;
 - h. Commission Staff's response to Order No. 5 filed on July 8, 2022; and
 - i. Commission Staff's recommendation on the transaction, including confidential attachments, filed on July 29, 2022.
23. In Order No. 22 filed on May 28, 2024, the ALJ admitted the following supplemental evidence into the record:
- a. CSWR-Texas' notice of completed transaction and attachments, including highly sensitive attachments, filed on January 5, 2024;
 - b. Water Works' affidavit regarding customer deposits, including highly sensitive exhibit A to the affidavit, filed on January 18, 2024;
 - c. CSWR-Texas' additional closing documentation filed on January 22, 2024;
 - d. Commission Staff's recommendation on closing documents filed on February 6, 2024;
 - e. The applicants' consent forms filed on March 14, 2024;
 - f. The map, relevant tariff pages, and certificate attached to the joint supplemental motion to admit evidence and proposed notice of approval filed on April 5, 2024;
 - g. CSWR-Texas' submission of capital improvement plan, including confidential attachment, filed on April 30, 2024; and
 - h. Commission Staff's recommendation on the sufficiency of the supplemented notice and CSWR-Texas' capital improvement plan filed on May 13, 2024.

Sale

24. In Order No. 11 filed on September 22, 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 had been addressed.
25. In Order Nos. 12 through 16 filed on February 27 through November 3, 2023, the ALJ granted applicants' requests to extend the 180-day deadline to complete the transaction due to real estate title issues and the need to assign a purchased water agreement.
26. On January 5, 2024, CSWR-Texas filed notice that the sale had closed on December 7, 2023, and by a filing on January 18, 2024, confirmed that there were no outstanding customer deposits that needed to be addressed.
27. In Order No. 18 filed on February 7, 2024, the ALJ found the closing documentation sufficient.

Purchaser's Compliance History

28. CSWR-Texas has not been under enforcement action by the Commission, TCEQ, Texas Health and Human Services, the Office of the Texas Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.
29. The Commission's complaint records, which date back to 2017, show 12 complaints against CSWR-Texas.
30. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
31. CSWR-Texas demonstrated a compliance history that is adequate for approval of the transaction.

Adequacy of Existing Service

32. There are currently 84 connections in the requested areas that are being served by Water Works through public water system numbers 1500018 and 1500019, and such service has been continuous and adequate.
33. There is no evidence in the record that Water Works has failed to comply with any Commission or TCEQ order.

Need for Additional Service

34. There are 84 existing customer connections in the requested areas that are receiving service from Water Works and have an ongoing need for service.
35. This is an application to transfer only existing facilities, customers, and service areas.
36. There have been no specific requests for additional service within the 137-acre requested areas.

Effect of Approving the Transaction and Granting the Amendment

37. CSWR-Texas will be the sole certificated water utility for the requested areas.
38. CSWR-Texas will be required to provide continuous and adequate water service to current and future customers in the requested areas.
39. Landowners in the requested areas will have a water service provider available when they need to request water service.
40. Because this application is to transfer only existing facilities and customers, there will be no effect on any other retail public utility servicing the proximate areas.
41. There will be no effect on landowners in the requested areas because the requested areas are currently certificated.

Ability to Serve: Managerial and Technical

42. CSWR-Texas owns and operates numerous public water systems registered with TCEQ and does not have any active violations listed in the TCEQ database.
43. CSWR-Texas employs or contracts with TCEQ-licensed operators who will operate the public water system being transferred.
44. CSWR-Texas stated that it intends to make upgrades, renovations, and repairs necessary to ensure that Water Works' public water systems remain in compliance with TCEQ regulations and that customers receive safe and reliable service.
45. CSWR-Texas filed a capital improvement plan that included a budget and estimated timeline for construction of all facilities necessary to provide continuous and adequate service to the requested areas and was keyed to a map showing where such facilities will be located to provide service.

46. CSWR-Texas has the technical and managerial capability to provide continuous and adequate service to the requested areas.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

47. Water Works is currently serving customers and such service has been continuous and adequate.
48. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities will need to be constructed. At a minimum, an interconnection would need to be installed in order to connect to a neighboring retail public utility.
49. All retail public utilities in the proximate area were provided notice of the application and no protests or adverse comments were filed.
50. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

51. It will not be necessary for CSWR-Texas to construct a physically separate water system to serve the requested areas.
52. Because the requested areas will not require construction of a physically separate water system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability

53. CSWR, LLC, the immediate parent company of CSWR-Texas, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio that is less than one. Therefore, CSWR-Texas satisfies the leverage test.
54. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the transaction and possesses the cash and leverage ability to pay for capital improvements and necessary equity investments. Therefore, CSWR-Texas satisfies the operations test.
55. CSWR-Texas demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested areas.

Financial Assurance

56. There is no need to require CSWR-Texas to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

57. The requested areas will continue to be served with existing infrastructure.
58. There will be minimal effects on environmental integrity and on the land as a result of CSWR-Texas' planned upgrades, renovations, and repairs to the water systems.

Improvement of Service or Lowering Cost to Customers

59. Water service to the requested areas is expected to improve because CSWR-Texas intends to make upgrades, renovations, and repairs necessary to improve the safety and reliability of service.
60. The rates charged to customers in the requested areas will not change as a result of the proposed transaction because CSWR-Texas will adopt the currently in effect tariff for the water systems upon approval of the transaction.

Map, Tariff Pages, and Certificate

61. On March 6, 2024, Commission Staff emailed to CSWR-Texas the proposed final map, tariff pages, and certificate related to this docket.
62. On March 6, 2024, Commission Staff emailed to Water Works the proposed final map related to this docket.
63. On March 14, 2024, CSWR-Texas filed the following: (a) its consent form concurring with the proposed final map, relevant tariff pages, and certificate; and (b) Water Works' consent form concurring with the proposed final map.
64. The proposed final map, relevant tariff pages, and certificate were included as attachments to the joint supplemental motion to admit evidence and proposed notice of approval filed on April 5, 2024.

Informal Disposition

65. More than 15 days have passed since the completion of notice provided in this docket.
66. No person filed a protest.

67. Water Works, CSWR-Texas, and Commission Staff are the only remaining parties to this proceeding.
68. No party requested a hearing and no hearing is needed.
69. Commission Staff recommended approval of the application.
70. 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) §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Water Works and CSWR-Texas are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. The applicants provided notice of the application in compliance with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239.³
4. The application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.227 and 24.233.
5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,⁴ and Commission rules.
6. Deer Springs and CSWR-Texas complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Deer Springs and CSWR-Texas completed the sale within the time required by 16 TAC §24.239(m), as extended in writing by the ALJ.
8. After consideration of the factors in TWC § 13.246(c), CSWR-Texas demonstrated that it is capable of rendering continuous and adequate service to every customer in the requested area, as required by TWC § 13.251.

³ After this application was filed, 16 TAC § 24.239 was amended, effective March 29, 2023. Accordingly, all references and citations to 16 TAC § 24.239 in this Notice of Approval are made to the version in effect at the time the application was filed.

⁴ Tex. Gov't Code §§ 2001.001-.903.

9. CSWR-Texas demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area, as required by TWC §§ 13.241(a) and 13.301(b).
10. It is not necessary for CSWR-Texas to provide a 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. CSWR-Texas and Water Works demonstrated that the sale and transfer of Water Works' facilities and service areas held under CCN number 11674 to CSWR-Texas will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public under TWC § 13.301(d) and (e).
13. Under TWC § 13.257(r) and (s), CSWR-Texas must record a certified copy of the map and certificate approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Llano County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording.
14. The requirements for informal disposition 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 facilities and service area held by Water Works under CCN number 11674 to CSWR-Texas.
2. The Commission cancels CCN number 11674.
3. The Commission amends CSWR-Texas' CCN number 13290 to include the facilities and service areas previously included in CCN number 11674, as shown on the attached map.
4. The Commission approves the map and tariff pages attached to this Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.

6. CSWR-Texas must provide service to every customer or applicant for service within the approved area under CCN number 13290 that requests service and meets the terms of CSWR-Texas' water service policies, and such service must be continuous and adequate.
7. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Llano 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 CSWR-Texas' most current comprehensive tariff, including the tariff pages approved by this Notice of Approval, to be stamped *Approved* and retained by Central Records.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 28th day of May 2024.

PUBLIC UTILITY COMMISSION OF TEXAS





**ISAAC TA
ADMINISTRATIVE LAW JUDGE**

PUCT Docket No. 53430
CSWR-Texas Utility Operating Company, LLC
Portion of Water CCN No. 13290
Transfer all of Water Works I and II, CCN No. 11674 in Llano County



Water CCN

-  13290 - CSWR-Texas Utility Operating Company LLC
-  13227 - Corix Utilities Texas Inc



WATER UTILITY TARIFF
Docket Number: 53430

CSWR – Texas Utility Operating Company, LLC
(Utility Name)

1630 Des Peres Rd Suite 140
(Business Address)

St. Louis, MO 63131
(City, State, Zip Code)

(314) 380-8595
(Area Code/Telephone)

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

13290

This tariff is effective in the following counties:

Angelina, Aransas, Austin, Brazoria, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Uvalde, Victoria, Wilson, and Wood

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

City of Red Oak

Rates for the Red Oak Community Water Service subdivision (PWS #0700056), which is located within the City of Red Oak, are not included in this tariff and should be obtained from the City of Red Oak. (Docket No. 43175)

City of Granbury, City of Lubbock, and City of Rockport

The rates set or approved by a city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

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

See List

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

SECTION 1.0 -- RATE SCHEDULE 2
SECTION 2.0 -- SERVICE RULES AND REGULATIONSXX
SECTION 3.0 -- EXTENSION POLICYXX

APPENDIX A -- DROUGHT CONTINGENCY PLAN
APPENDIX B -- SERVICE AGREEMENT

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Aero Valley Water Service	0610243	Denton	2
Amberwood Subdivision	1011920	Harris	2
Aransas Bay	0040018	Aransas	2
Arrowhead Water System	2470025	Wilson	2
Big Wood Springs Subdivision	2500019	Wood	2
Bois D' Arc	0040018	Aransas	2
Chaparral Water System Gillespie	0860010	Gillespie	2
Coletto Water Company	2350036	Victoria	2
Copano Cove Subdivision	0040003	Aransas	2
Copano Heights Unit 1 & 2, Water System	0040017	Aransas	2
Copano Ridge Subdivision	0040029	Aransas	2
Council Creek Village	0270014	Burnet	2
Country Squire Water & Sewer	1810060	Orange	2
Crystal Land Water System	1330153	Kerr	2
El Pinon Estates Water System	2030013	San Augustine	2
Emerald Forest	0700058	Ellis	2
Flag Creek Ranch	1500112	Llano	2
Forest Oak Unit 1 and 2	0940085	Guadalupe	2
Franklin Water Systems 1	1520224	Lubbock	2
Franklin Water Systems 3	1520080	Lubbock	2
Goose Island State Park	0040018	Aransas	2
Grande Casa Ranchitos	0700063	Ellis	2
Hickory Hill Water	2470018	Victoria	2
Hillside Estates Water System	0080049	Austin	2
Hilltop Home Addition	1840034	Parker	2
Hilltop Estates	1840034	Parker	2
Homestead @ Turtle Creek	1330153	Kerr	2
Indian Cove	0040018	Aransas	2
Laguna Tres	1110019	Hood	2

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Laguna Vista	1110095	Hood	2
Lake Limestone Coves	1980020	Limestone & Robertson	2
Lakeview Ranchettes Estates	0700057	Ellis	2
La Playa Subdivision Water System	2030015	San Augustine	2
Live Oak Hills	1540012	McCulloch	2
Longford Place Water System	1810015	Orange	2
Meadowview Estates	0080051	Austin	2
Meadowview Estates II	0080059	Austin	2
Neptune Harbor	0040018	Aransas	2
North Victoria Utilities	2350049	Victoria	2
Oak Hill Estates*	1013045	Harris	3
Oak Hill Ranch Estates, Oak Hill Ranchettes	0940085	Guadalupe	2
Oak Hollow Estates, Oak Hollow Park	2470019	Wilson	2
Palmetto Park Estates	0040018	Aransas	2
Pelican Isle Water System	1750036	Navarro	2
Quiet Village II Subdivision, Quiet Village II	1080221	Hidalgo	2
Settlers Crossing Water System	0080058	Austin	2
Settlers Crossing Water System 2	0080060	Austin	2
Settlers Estates Sec II	0080056	Austin	2
Settlers Meadows Water System	0080055	Austin	2
Shady Oaks Subdivision	2350036	Victoria	2
Shady Oaks Water Company	2470017	Wilson	2
South Council Creek 1	0270079	Burnet	2
South Council Creek 2	0270080	Burnet	2
South Silver Creek I, II, III	0270041	Burnet	2
Spanish Grant	0700064	Ellis	2
Tall Pines Utility	1010220	Harris	2
Texas Landing Utilities Deerwood	1700798	Montgomery	2
Texas Landing Utilities Goode City	1700744	Montgomery	2

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Texas Landing Utilities	1870151	Polk	2
Thousand Oaks	0720054	Erath	2
Timberlane Water	2020054	Sabine	2
Treetops Phase 1	1840134	Parker	2
Tri County Point Water System 2	1200027	Jackson	2
Tri County Point Water System 3	1200028	Jackson	2
Tri County Point Water System 4	1200029	Jackson	2
Ville d'Alsace Water Supply*	1630037	Medina	4
Vista Verde Water Systems	1700694	Montgomery	2
Walnut Bend Water Supply	0030037	Angelina	2
WaterCo	1690028	Montague	2
Water Works 1 – Floyd Acres	1500018	Llano	XX
Water Works 2 – Island Lodges	1500019	Llano	XX
The Woodlands Water System	1050139	Hays	2
Woodland Harbor	0320014	Camp	2
Woodlands West	0260043	Burleson	2

* Denotes systems with separate rate schedules. The rate schedules designated as “applicable to all water service areas reflected on list of subdivisions and systems unless otherwise specified” do not apply to these systems.

Formerly Water Works I and II

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u> 5/8" or 3/4"	<u>Monthly Minimum Charge</u> \$41.00 (includes 1,000 gallons) **Plus additional pass-through fees listed below	<u>Gallonge Charge</u> \$5.00 per 1,000 gallons over the minimum **Plus additional pass-through fees listed below
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****Corix Utilities, Texas Inc. Pass Through Fees:**

Water Works I Floyd Acres:

\$42.11 added to the monthly minimum charge, plus \$13.82 (including 15% water line loss) per 1,000 gallons over the minimum

Water Works II Island Lodges:

\$21.06 added to the monthly minimum charge, plus \$13.82 (including 15% water line loss) per 1,000 gallons over the minimum

(Tariff Control No. 49625)

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

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

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

REGULATORY ASSESSMENT.....1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$500.00

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

TAP FEE (Unique costs)..... Actual Cost

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

TAP FEE (Large meter) Actual Cost

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

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

THIS FEE 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.

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) Nonpayment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$50.00

TRANSFER FEE \$30.00

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

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

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

RETURNED CHECK CHARGE \$15.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$0.00

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 (Continued)

PASS-THROUGH FORMULA:

The pass-through rate to be charged to each service connection is calculated based on the following Pass Through Adjustment Formula:

Adjusted Base Rate (ABR) = BR / N , Where:

ABR = adjusted base rate, rounded to nearest one cent;

BR = monthly base rate charge of utility provider;

N = number of current active service connections

Adjusted Gallonage Rate (AG) = $G / (1 - L)$, Where:

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

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

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



Public Utility Commission of Texas

By These Presents Be It Known To All That

CSWR-Texas Utility Operating Company, LLC

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, CSWR-Texas Utility Operating Company, LLC is entitled to this

Certificate of Convenience and Necessity No. 13290

to provide continuous and adequate water utility service to that service area or those service areas in Angelina, Aransas, Austin, Brazoria, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Uvalde, Victoria, Wilson, and Wood counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53430 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 CSWR-Texas Utility Operating Company, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.