



## **Filing Receipt**

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**Control Number - 54271**

**Item Number - 24**

**DOCKET NO. 54271**

<b>APPLICATION OF KICKAPOO UTILITY LLC FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY IN WALLER COUNTY</b>	<b>§ § § §</b>	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of Kickapoo Utility LLC to obtain a sewer certificate of convenience and necessity (CCN) for 38 uncertificated acres in Waller County. The Commission issues Kickapoo Utility CCN number 21139 for the requested area described in this Notice of Approval, to the extent provided in this Notice of Approval.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Kickapoo Utility is a Texas limited liability company registered with the Texas secretary of state under filing number 0804786542.
2. Kickapoo Utility does not currently hold a CCN to provide sewer service to customers in Texas.
3. Kickapoo Utility has been granted a permit by the Texas Commission on Environmental Quality (TCEQ) to operate a wastewater treatment plant in Waller County registered as the Welcome Home Communities Hockley Wastewater Treatment Facility, Texas Pollutant Discharge Elimination System Permit number WQ0016113001.

**Application**

4. On October 27, 2022, Kickapoo Utility filed the application at issue in this proceeding.
5. Kickapoo Utility filed supplements to the application on October 28 and December 9 and 12, 2022, and January 20 and May 23, 2023.

6. Kickapoo Utility's application, as supplemented, requests a service area (the requested area) comprised of approximately 38 acres, no current customer connections, and 160 potential future connections.
7. The requested area is approximately 6.3 miles southwest of downtown Todd Mission, and is generally bounded on the north by Kickapoo Road; on the east by Kickapoo Road; on the south by Haner Road; and on the west by Farm-to-Market Road 1488.
8. In Order No. 3 filed on February 7, 2023, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

### Notice

9. On February 27, 2023, Kickapoo Utility filed the affidavit of Shelley Young, consulting engineer for Kickapoo Utility, attesting that notice was mailed to affected entities on February 8, 2023.
10. On February 27, 2023, Kickapoo Utility filed a publisher's affidavit including newspaper tear sheets attesting to publication of notice in *The Waller Times*, a publication of general circulation in Waller County, on February 15 and 22, 2023.
11. On March 14, 2023, Kickapoo Utility filed a subsequent affidavit of Ms. Young, attesting that, on March 14, 2023, additional notice was mailed to affected entities, to provide a more descriptive map, and that notice was also sent to Kickapoo Asset LLC, the sole landowner owning 25 or more acres within the requested area.
12. In Order No. 4 filed on April 4, 2023, the ALJ found the notice sufficient.

### Evidentiary Record

13. In Order No. 5 filed on June 16, 2023, the ALJ admitted the following evidence into the record:
  - a) Kickapoo Utility's application and attachments filed on October 27, 2022;
  - b) Kickapoo Utility's mapping files filed on October 27, 2022;
  - c) Kickapoo Utility's financial information filed on October 28, 2022;
  - d) Kickapoo Utility's first financial supplement filed on December 9, 2022;
  - e) Kickapoo Utility's response to Order No. 2 filed on December 12, 2022;

- f) Kickapoo Utility's second financial supplement filed on December 12, 2022;
- g) Kickapoo Utility's third financial supplement filed on January 20, 2023;
- h) Commission Staff's supplemental recommendation on administrative completeness and notice and proposed procedural schedule filed on February 6, 2023;
- i) Kickapoo Utility's first proof of notice filed on February 27, 2023;
- j) Kickapoo Utility's supplemental proof of notice, filed on March 14, 2023;
- k) Commission Staff's recommendation on sufficiency of notice filed on April 3, 2023;
- l) Kickapoo Utility's consent form filed on May 4, 2023;
- m) Kickapoo Utility's fourth financial supplement filed on May 23, 2023;
- n) Kickapoo Utility's approved TCEQ Texas Pollutant Discharge Elimination System permit filed on filed on May 23, 2023;
- o) Commission Staff's final recommendation filed on May 31, 2023;
- p) Commission Staff's confidential attachment FB-1 filed on May 31, 2023; and
- q) The final map, certificate, and tariff, as attached to the joint motion to admit evidence and proposed notice of approval filed on June 14, 2023.

**Adequacy of Existing Service**

- 14. There are no existing customers in the requested area.
- 15. Sewer service is not currently being provided to the requested area.

**Need for Service**

- 16. There is a need for service because Kickapoo Asset, LLC, an affiliate of Kickapoo Utility, is developing a 160-home community for future residents in the requested area.
- 17. Kickapoo Asset is the owner of the requested area and has requested service.

**Effect of Issuing the Certificate**

18. By issuing the CCN, Kickapoo Utility will be the certificated sewer utility for the requested area and will be required to provide continuous and adequate sewer service to customers in the requested area.
19. Landowners in the area will have a sewer provider available when they need to request sewer service.
20. All retail public utilities in the proximate area were provided notice of the application and none sought to intervene.
21. There will be no effect on any retail public utility providing service to the proximate area.

**Ability to Serve: Managerial and Technical**

22. Kickapoo Utility has a TCEQ-permitted wastewater treatment plant registered as the Welcome Home Communities Hockley Wastewater Treatment Facility, Texas Pollutant Discharge Elimination System permit number WQ0016113001.
23. Kickapoo Utilities provided subdivision plats, engineering planning maps, and other maps that show all of its sewer facilities and illustrate, separately, facilities for production, transmission, and distribution of its services.
24. Kickapoo Utility indicated the distribution system is complete and construction of the wastewater treatment plant is substantially complete and will be completed by the end of June 2023.
25. Kickapoo Utility is a new utility and does not have any violations listed in the TCEQ database.
26. There are no complaints against Kickapoo Utility, as they are a new utility provider.
27. Kickapoo Utility has retained the services of the holder of a TCEQ-issued class B license who will be responsible for the operation of its facilities.
28. Kickapoo Utility has not been under an enforcement action by the Commission, the TCEQ, the Texas Department of Health, the Office of the Attorney General, or the Environmental Protection Agency within the past five years.
29. Kickapoo Utility has the managerial and technical capability to provide continuous and adequate retail sewer service to the requested area.

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

30. There are no other retail sewer utilities within one half mile from the outer boundary of the requested area.
31. It is not feasible to obtain service from an adjacent retail public utility.

**Regionalization or Consolidation**

32. In order to provide service, Kickapoo Utility will be required to construct a separate, new sewer treatment plant.
33. Because there are no retail public sewer utilities within a half mile of the outer boundary of the requested area, regionalization or consolidation with another retail public utility is not economically feasible.

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

34. Kickapoo Utility's application includes an affidavit, dated October 25, 2022, of Josh Milne, the managing member of the following affiliates of Kickapoo Utility: 3083 Investments LLC, 383 Operating Entity LLC, DMJM Enterprises LLC, MPRV LLC, Wisteria Asset LLC, and Wisteria Operating Entity LLC (the affiliates).
35. In the affidavit, Mr. Milne provides a written guarantee that the affiliates are capable, available, and willing to cover any temporary cash shortages experienced by Kickapoo Utilities.
36. Kickapoo Utility's affiliates, have a debt-to-equity ratio of less than one, thus satisfying the leverage test and demonstrating that Kickapoo Utility satisfies the leverage test.
37. Kickapoo Utility projects cash shortages in the first five years of operations following issuance of the CCN. However, Kickapoo Utility's affiliates have provided a written guarantee of coverage of temporary cash shortages and those affiliates have passed the leverage test. Therefore, Kickapoo Utility satisfies the operations test.
38. Kickapoo Utility will build a new sewer treatment plant to provide service to the requested area, the estimated cost of which is expected to exceed \$100,000.
39. Kickapoo Utility submitted loan approval documents indicating that funds are available for the construction of the new plant.

40. Kickapoo Utility's affiliates provided a firm capital commitment by securing a loan to purchase and install the capital improvements.
41. Kickapoo Utility demonstrated adequate financial and managerial capability to provide continuous and adequate service to the requested area.

**Financial Assurance**

42. There is no need to require Kickapoo Utility to provide a bond or other financial assurance to ensure continuous and adequate service.

**Environmental Integrity and Effect on the Land**

43. The environmental integrity of the land will be affected by the construction of the sewer collection system and treatment plant, but not to such a degree as to warrant denial of the CCN.

**Improvement in Service or Lowering of Cost**

44. Landowners within the requested area will have sewer service available which was previously unavailable.
45. No lowering of cost to customers will result from issuance of the CCN because there are no current customers.

**Proposed Tariff, Rate Study, Supporting Documentation, and Timelines**

46. Kickapoo Utility filed a proposed tariff with its application.
47. Kickapoo Utility filed a rate study and pro forma financial statements in support of its proposed rates.
48. Kickapoo Utility provided all calculations supporting its proposed rates.
49. Kickapoo Utility provided all assumptions for projections included in its rate study.
50. Kickapoo Utility provided an estimated date for completion of its wastewater treatment plant.
51. Service and billing will commence upon issuance of the CCN by the Commission and completion of the sewer plant.

52. Kickapoo Utility will file a rate application with actual financial information with the Commission within 18 months from the date service begins under 16 Texas Administrative Code (TAC) § 24.25(b)(1)(C).

**Map, Certificate, and Tariff**

53. On May 3, 2023, Commission Staff emailed its proposed final map, certificate, and tariff to Kickapoo Utility.
54. On May 4, 2023, Kickapoo Utility filed its consent to the proposed final map, certificate, and tariff.
55. On June 14, 2023, the parties filed the proposed final map, certificate, and tariff as attachments to the joint motion to admit evidence and proposed Notice of Approval.

**Informal Disposition**

56. More than 15 days have passed since completion of the notice provided in this docket.
57. No person filed a protest or motion to intervene.
58. Kickapoo Utility and Commission Staff are the only parties to this proceeding.
59. No party requested a hearing and no hearing is needed.
60. Commission Staff recommended approval of the application, as supplemented.
61. 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 application under Texas Water Code (TWC) §§ 13.041, 13.241, 13.244, and 13.246.
2. Once in operation, Kickapoo Utility will be a retail public utility as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. The application meets the requirements set forth in TWC § 13.244 and 16 TAC §§ 24.24(b)(1) and 24.233.
4. Notice of the application was provided in compliance with TWC § 13.246 and 16 TAC § 24.235.



5. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,<sup>1</sup> the TWC, and Commission rules.
6. The Commission considered the factors in TWC § 13.246(c) and 16 TAC § 24.227(e) when evaluating Kickapoo Utility's application.
7. Kickapoo Utility possesses the financial, managerial, and technical capability to provide continuous and adequate sewer service to the requested area, as required by TWC § 13.241 and 16 TAC § 24.227.
8. The financial guaranties filed by Kickapoo Utility constitute a sufficient firm capital commitment under 16 TAC § 24.11(e)(5)(B).
9. Kickapoo Utility demonstrated that regionalization or consolidation with another retail public utility is not economically feasible, as required by TWC § 13.241(d) and 16 TAC § 24.227(b).
10. It is not necessary for Kickapoo Utility to provide a bond or other financial assurance under TWC § 13.246(d) and 16 TAC § 24.227(d).
11. Kickapoo Utility demonstrated that issuing a CCN to Kickapoo Utility for the requested area is necessary for the service, accommodation, convenience, or safety of the public, as required by TWC § 13.246(b) and 16 TAC § 24.227(d).
12. Kickapoo Utilities included with its application a proposed tariff and rate study that comply with 16 TAC § 24.25(b).
13. Under TWC § 13.250, Kickapoo Utility is required to provide service to every consumer within its certificated service area and to render continuous and adequate service within its service area.
14. Under TWC § 13.257(r) and (s), Kickapoo Utility must record a certified copy of the approved maps and certificates, along with a boundary description of the service area, in the real property records of Waller County within 31 days of this Notice of Approval and must submit evidence of the recording to the Commission.

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

15. Under 16 TAC § 24.25(b)(1)(B)(vi), Kickapoo Utility must file notice with the Commission once billing for sewer service begins.
16. Under 16 TAC § 24.25(b)(1)(C), Kickapoo Utility must file a rate application with actual financial information with the Commission within 18 months from the date service begins.
17. The requirements for informal disposition in 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 grants Kickapoo Utility sewer CCN number 21139 as described in this Notice of Approval and shown on the attached map.
2. The Commission approves the map and tariff attached to this Notice of Approval.
3. The Commission issues the certificate attached to this Notice of Approval.
4. Kickapoo Utility must provide service to every customer and applicant for service within the approved area under CCN number 21139 who requests sewer service and meets the terms of Kickapoo Utility's sewer service policies, and such service must be continuous and adequate.
5. Kickapoo Utility must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Waller County affected by this application and must file in this docket proof of the recording no later than 45 days after the date of this Notice of Approval.
6. Kickapoo Utility must comply with 16 TAC § 24.25(b)(1)(B)(vi) and file notice to the Commission once billing for sewer service begins in Docket No. 55149, *Compliance Filing for Docket No. 54271 (Application of Kickapoo Utility LLC for a Certificate of Convenience and Necessity in Waller County)*.
7. Kickapoo Utility must comply with the requirements in 16 TAC § 24.25(b)(1)(C) and file, under a new docket number, a rate change application with the Commission within 18 months from the date sewer service begins.

8. Within ten days of the date this Order is filed, Commission Staff must provide the Commission with a clean copy of the sewer tariff approved in 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 21st day of June 2023.**

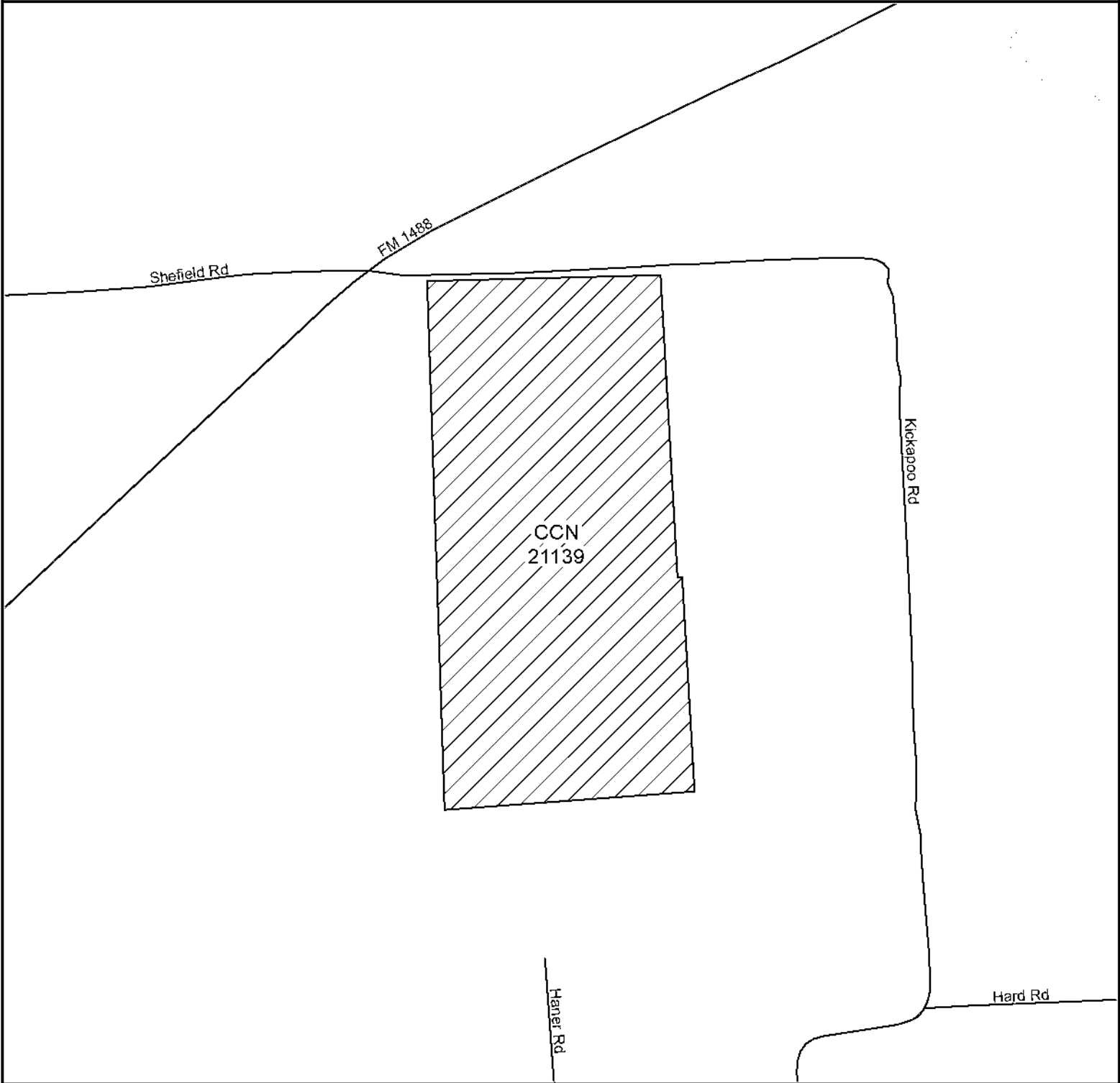
**PUBLIC UTILITY COMMISSION OF TEXAS**



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**HUNTER BURKHALTER**  
**CHIEF ADMINISTRATIVE LAW JUDGE**

Kickapoo Utility, LLC  
Sewer CCN No. 21139  
PUC Docket No. 54271  
Obtained New Sewer CCN in Waller County



**Sewer CCN**

 21139 - Kickapoo Utility LLC





# **Public Utility Commission of Texas**

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

## **Kickapoo Utility LLC**

having obtained certification to provide sewer 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, Kickapoo Utility LLC is entitled to this

### **Certificate of Convenience and Necessity No. 21139**

to provide continuous and adequate sewer utility service to that service area or those service areas in Waller County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54271 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 Kickapoo Utility 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.



**SEWER UTILITY TARIFF  
Docket Number 54271**

Kickapoo Utility LLC  
(Utility Name)

6315B FM 1488 Road, Suite 192  
(Business Address)

Magnolia, Texas 77354  
(City, State, Zip Code)

(346) 703-1009  
(Area Code/Telephone)

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

21139

This tariff is effective in the following county(ies):

Waller

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

None

This tariff is effective in the following subdivisions or systems:

WQ0016113001 - Welcome Home Communities-Hockley

**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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**SECTION 1.0 -- RATE SCHEDULE**

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8"	<u>\$70.00</u>	N/A per 1,000 gallons over
3/4"	<u>\$105.00</u>	
1"	<u>\$175.00</u>	
2"	<u>\$560.00</u>	
3"	<u>\$1,050.00</u>	
4"	<u>\$2,100.00</u>	

Volume charges are determined based on average consumption for winter period which includes the following months: N/A Flat Rate Sewer Charge

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.

REGULATORY ASSESSMENT ..... 1.0%  
 PUBLIC UTILITY COMMISSION (PUCT) 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).

TAP FEE ..... \$1,250.00  
 TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" METER PLUS UNIQUE COSTS AS PERMITTED BY PUCT RULE AT COST.

TAP FEE (Unique costs) ..... Actual Cost  
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large Connection Tap) ..... Actual Cost  
 TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" METERS.

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

Section 1.02 – Miscellaneous Fees

**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  
 or other reasons listed under Section 2.0 of this tariff

**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

COMMISSION 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 AND NON-RESIDENTIAL DEPOSIT** ..... 1/6TH ESTIMATED ANNUAL BILL

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

WHEN AUTHORIZED IN WRITING BY THE COMMISSION 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)(F)]

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

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



## SECTION 2.0 - SERVICE RULES AND POLICIES

The Utility will have the most current Public Utility Commission of Texas (PUCT or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.01 - Application for 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), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

### Section 2.02 – Refusal of Service

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

### Section 2.03 – Fees and Charges and Easements Required Before Service Can Be Connected

#### (A) Customer Deposits

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

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

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

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

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

### **(B) Tap or Reconnect Fees**

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

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

### **(C) Easement Requirement**

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

### **Section 2.04 - Utility Response to Applications for Service**

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

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

### **Section 2.05 - Customer Responsibility**

The customer will be responsible for furnishing and laying the necessary customer service pipe from the tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

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

### Section 2.06 Access to Customer's Premises

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

### Section 2.07 - Billing

#### (A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

#### (B) Late Fees

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

#### (C) Information on Bill

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

#### (D) Prorated Bills

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

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

### Section 2.08 - Payments

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

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

### Section 2.09 - Service Disconnection

#### (A) With Notice

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

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

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

#### (B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the Commission rules.

### Section 2.10 - Reconnection of Service

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

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

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

### Section 2.11 - Service Interruptions

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

### Section 2.12 - Quality of Service

The Utility will plan, furnish, and maintain and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the TCEQ. Unless otherwise authorized by the TCEQ, the Utility will maintain facilities as described in the TCEQ Rules.

### Section 2.13 - 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 PUCT complaint process. Pending resolution of a complaint, the Commission may require continuation or restoration of service.

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

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

### Section 2.14 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

## **SECTION 3.0 - EXTENSION POLICY**

### Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contribution In Aid of Construction may be required of any customer except as provided for in this approved extension policy.

The utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with Commission rules and policies, and upon extension of the utility's certified service area boundaries by the Commission.

The applicant for service 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.

### Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified 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 in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers 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 additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

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

Exceptions may be granted by the PUCT if

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

### **SECTION 3.0 - EXTENSION POLICY (continued)**

If an exception is granted, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any over-sizing of sewer mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional 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.

#### **Section 3.03 - Contributions in Aid of Construction**

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

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.163(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

### **SECTION 3.0 - EXTENSION POLICY (continued)**

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

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

#### Section 3.04 - Appealing Connection Costs

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

#### Section 3.05 - Applying for Service

The utility will provide a written service application form to the applicant for each request for service received by the utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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



### **SECTION 3.0 - EXTENSION POLICY (continued)**

Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the utility. If no agreement on location can be made, the applicant may refer the matter to the Commission for resolution.

#### **Section 3.06 - Qualified Service Applicant**

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

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

#### **Section 3.07 - Developer Requirements**

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