



## **Filing Receipt**

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**Control Number - 54429**

**Item Number - 69**

**DOCKET NO. 54429**

<b>APPLICATION OF PALO DURO</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SERVICE COMPANY, INC. AND THE</b>	<b>§</b>	
<b>CITY OF HUDSON OAKS FOR SALE,</b>	<b>§</b>	<b>OF TEXAS</b>
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN PARKER COUNTY</b>	<b>§</b>	

**COMMISSION STAFF'S SUPPLEMENTAL RESPONSE TO ORDER NO. 22, MOTION TO ADMIT SAME, AND REVISED JOINT PROPOSED NOTICE OF APPROVAL**

**I. INTRODUCTION**

On December 6, 2022, Palo Duro Service Company, Inc. (Palo Duro) and the City of Hudson Oaks (Hudson) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Parker County.

On November 7, 2024, the administrative law judge (ALJ) filed Order No. 24, requiring the Staff (Staff) of the Public Utility Commission of Texas (Commission) and the Applicants to file a proposed new tariff, if needed, and revised consent forms, to file corrected certificates and revised consent forms, and for Commission Staff to file a recommendation addressing the information filed in response to the Applicants' clarifications on the improvements to the system by November 20, 2024. Therefore, this pleading is timely filed.

**II. STAFF RESPONSE REGARDING TARIFF**

The ALJ requested Staff to file a new tariff, if needed, and revised consent forms. Attached hereto is the revised proposed tariff. Staff has provided the same tariff to Applicants, who consented to the same as evidenced by the filed consent forms uploaded by Applicants on October 29, 2024, under AIS Item No. 64.

**III. STAFF RESPONSE REGARDING CERTIFICATES**

The ALJ further requested Staff file a corrected certificate. Attached hereto are the revised certificates, consented to by Applicants.

#### **IV. MOTION TO ADMIT**

The parties respectfully request this pleading, its attachments, and the consent forms filed on November 13, 2024 (AIS Item No. 67) and November 14, 2024 (AIS Item No. 68) be admitted into evidence of this proceeding.

#### **V. COMMISSION STAFF'S RECOMMENDATIONS**

Staff believes this filing, along with the filing made on October 28, 2024, sufficiently address the ALJ's concerns, and recommends that the application be approved. To assist the ALJ, Staff has attached a revised joint notice of approval hereto.

#### **VI. CONCLUSION**

For the reasons discussed above, Staff respectfully requests that the ALJ take note of the parties clarifications and that this pleading and its attachments be admitted into evidence of this proceeding. Staff further respectfully requests the issuance of a notice of approval consistent with the joint proposed notice of approval attached hereto.

Dated: November 20, 2024

Respectfully submitted,

#### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

Marisa Lopez Wagley  
Division Director

Ian Groetsch  
Managing Attorney

/s/ Kevin Pierce  
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**DOCKET NO.**

**CERTIFICATE OF SERVICE**

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on November 20, 2024 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

*/s/ Kevin Pierce*  
Kevin Pierce

**DOCKET NO. 54429**

<b>APPLICATION OF PALO DURO</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SERVICE COMPANY DBA TRINITY</b>	<b>§</b>	
<b>RIVER ESTATES AND CITY OF</b>	<b>§</b>	<b>OF TEXAS</b>
<b>HUDSON OAKS FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN PARKER COUNTY</b>	<b>§</b>	

**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of Palo Duro Service Company dba Trinity River Estates (Palo Duro) and the City of Hudson Oaks (Hudson Oaks) (collectively, Applicants) for the sale, transfer, or merger of facilities and certificate rights, and the amendment of certificate rights in Parker County. The Commission approves the Applicants requests and approves the transfer a portion of Palo Duro’s water service area under its certificate of convenience and necessity (CCN) No. 12200 to City of Hudson Oaks CCN No. 12273.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Palo Duro Service Company, Inc. dba Trinity River Estates is a for-profit corporation duly organized under the laws of the State of Texas and registered with the Texas secretary of state under file number 143729200.
2. Palo Duro holds CCN number 12200 which obligates it to provide retail water service in its certificated service area in Parker, Tarrant, and Wise counties.
3. Palo Duro owns a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Trinity River Estates, under identification number 1840099.
4. Hudson Oaks is a Type A general law municipal corporation.
5. Hudson Oaks operates, maintains, and controls facilities for providing water service under CCN No. 12273 in Parker County, which obligates Hudson Oaks to provide retail water service in its certificate service area in Parker County.

**Application**

6. On December 6, 2022, Palo Duro and Hudson Oaks filed an application for the approval of the sale, transfer or merger of facilities and certificate rights, and the amendment of certificate rights in Parker County.
7. In the application, the applicant seek approval for the following transaction:
  - a. the sale and transfer of 0.1 acres of Palo Duro's singly-certificated service area under its CCN number 12200 to Hudson Oaks;
  - b. the sale and transfer of 68.4 acres of Palo Duro's service area under CCN number 12200 to Hudson Oaks, which is dually-certificated with Hudson Oaks;
  - c. the amendment of Palo Duro's CCN number 12200 to remove the 68.5 acres of service area; and
  - d. the amendment of Hudson Oak's CCN number 12273 to add the 0.1 acres.
8. The applicants filed supplemental information on January 6 and February 15, 2023.
9. The requested area includes:
  - a. 0.1 acres of area that is singly-certificated under Palo Duro's CCN number 12200;
  - b. 68.4 acres of area under Palo Duro's CCN number that is dually-certificated with Hudson Oaks; and
  - c. 29 customer connections.
10. The area subject to this transaction is located approximately 1.5 miles southwest of downtown Hudson Oaks, Texas, and is generally bounded on the north by East Bankhead Highway; on the east by the intersection of East Bankhead Highway and Bankhead Court; on the south by Annetta Center Point Road; and on the west by Center Point Road.
11. In Order No. 3 issued on March 9, 2023, the administrative law judge (ALJ) found the application and amended application, as supplemented, administratively complete.

**Notice**

12. On April 6, 2023, Hudson Oaks filed the affidavit of Hayden Brodowsky, Director of Operations of Hudson Oaks, attesting that notice was provided to all current customers, landowners, neighboring utilities, and affected parties on April 6, 2023.
13. On April 6, 2023, Hudson Oaks filed a publisher's affidavit attesting to the publication of notice in the Weatherford Democrat, a newspaper of general circulation in Parker County, on March 14 and 21, 2023.
14. In Order No. 4 filed on April 21, 2023, the ALJ found the notice sufficient.

15. In Order No. 5 filed on May 18, 2023, the ALJ required a clarification regarding the notice.
16. In Order No. 6 filed on June 6, 2023, the ALJ rescinded the finding that notice was sufficient.
17. On June 19, 2023, Hudson Oaks filed the affidavit of Ms. Brodowsky attesting that notice was provided to Sonna Warvell and Davoil Inc. dba Davestates on June 9, 2023.
18. On June 23, 2023, Hudson Oaks filed a map of the CCN area to be transferred overlaid with parcels for landowners with property containing 25 acres.
19. On July 6, 2023, Hudson Oaks filed the affidavit of Ms. Brodowsky attesting that notice was provided to Sonna Warvell and Davoil Inc. dba Davestates on June 9, 2023, and provided a clarification regarding landowners with tracts of land in the requested area that are at least 25 acres and are wholly or partially within the requested area and a map overlaid with a Parker County appraisal district map.
20. In Order No. 9, filed on August 1, 2023, the ALJ found the notice of the application sufficient.

**Evidentiary Record**

21. On September 19, 2023, the parties filed a joint motion to admit evidence.
22. In Order No. 10, issued on September 26, 2023, the ALJ admitted the following evidence into the record:
  - A. The application for sale, transfer, or merger of facilities and certificate rights, filed on December 6, 2022;
  - B. Applicant's supplement to application, filed on January 6, 2023;
  - C. Applicant's supplement to application, filed on February 15, 2023;
  - D. Staff's recommendation on administrative completeness and notice and proposed procedural schedule and request to restyle the docket, filed on March 8, 2023;
  - E. Applicant's supplement to application, filed on April 6, 2023;
  - F. Staff's recommendation on sufficiency of notice, filed on April 20, 2023;
  - G. Applicant's supplement to application, filed on May 22, 2023;
  - H. Staff's supplemental recommendation on sufficiency of supplemental notice, filed on June 5, 2023;
  - I. Applicant's supplement to application, filed on June 19, 2023;
  - J. Applicant's supplement to application, filed on June 23, 2023;

- K. Applicant's supplement to application, filed on July 6, 2023;
  - L. Staff's second supplemental recommendation on sufficiency of notice and proposed procedural schedule, filed on July 28, 2023; and
  - M. Staff's recommendation on the transaction, filed on August 28, 2023.
23. In Order No. 13, filed on January 22, 2024, the ALJ admitted Staff's response to Order No 12, including attachments, filed on January 10, 2024, into the record of this proceeding.
  24. In Order No. 14, filed on February 12, 2024, the ALJ admitted the following evidence into the record of this proceeding: (1) Applicants response to Order No. 11, filed on October 11, 2023 and (2) Applicants Response to Order No. 12, filed on December 11, 2023.
  25. On September 10, 2024 the Applicants filed a supplemental joint motion to submit evidence.
  26. In Order No. 20 issued on September 24, 2024, the ALJ admitted the following evidence into the record:
    - A. Staff's Response to Order No. 12 and Applicants' Clarification, filed on January 10, 2024;
    - B. Applicant's Final Closing Status Update – June 2024, filed on June 27, 2024;
    - C. Staff's Recommendation On Sufficiency Of Closing Documents And Proposed Procedural Schedule, filed on July 10, 2024;
    - D. Staff's Clarification In Response To Order No. 17, filed on July 15, 2024;
    - E. Palo Duro Service Company, Inc's STM Consent Form, filed on August 14, 2024;
    - F. City of Hudson Oaks STM Consent Form, filed on August 14, 2024; and
    - G. The map, tariff, and certificate attached to the joint motion to admit evidence and proposed notice of approval, filed on September 10, 2024.
  27. On September 25, 2024, Commission Staff filed Commission Staff's Response to Order No. 20 and Motion to Admit Same.
  28. In Order No. 21 issued on October 14, 2024, the ALJ admitted Commission Staff's Response to Order No. 20 and Motion to Admit Same.
  29. On October 28, 2024, Commission Staff filed Commission Staff's Response to Order No. 22 and Motion to Admit Same.



30. On November 20, 2024, Commission Staff filed Commission Staff's Supplemental Response to Order No. 22, Motion to Admit Same, and Revised Joint Proposed Notice of Approval.
31. In Order No. \_\_ issued on \_\_\_\_, 2024, the ALJ admitted:
  - A. Commission Staff's Supplemental Response to Order No. 2022, Motion to Admit Same, and Revised Joint Proposed Notice of Approval and its attachments, filed on November 20, 2024.
  - B. Consent Form for Palo Duro Updated CCN, filed on November 13, 2024.
  - C. Consent Form for City of Hudson Oaks Updated CCN, filed on November 14, 2024.

**Sale**

32. In Order No. 16, filed on February 13, 2024, the ALJ approved the sale and transfer to proceed and required the applicants to file proof that the transaction had closed and that the customer deposits had been addressed.
33. On June 27, 2024, the applicants filed notice that the transaction was closed effective June 22, 2024, and confirmed that no customer deposits were outstanding.
34. In Order No. 18, filed on July 22, 2024, the ALJ found the closing documentation sufficient.

**Purchaser's Compliance History**

35. Hudson Oaks 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.

36. The Commission' s complaint records, which date back five years, show no complaints against Hudson Oaks.
37. Hudson Oaks does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
38. Hudson Oaks has demonstrated a compliance history that is adequate for approval of the transaction to proceed.

#### **Adequacy of Existing Service and System Compliance**

39. There are currently 29 connections in the requested area that are being served by Palo Duro through public water system number 1840099, and such service has been continuous.
40. The last TCEQ compliance investigation of the Palo Duro system was on August 23, 2022.
41. Palo Duro has unresolved violations listed in the TCEQ database.
42. Palo Duro is working with the TCEQ to address the outstanding violations.
43. Capital improvements are necessary for Hudson Oaks to continue providing continuous and adequate service to the requested area.
44. Hudson Oaks will make improvements to increase pressure tank capacity and storage tank capacity and has submitted the required plans and specifications to the TCEQ for the new pressure tank and storage tank.
45. The Commission' s complaint records, which date back five years, show 4 complaints against Palo Duro, each of which have been reviewed and closed by the Commission' s Consumer Protection Division.

#### **Need for Service**

46. There are 29 customer connections in the requested area that are receiving water service from the Palo Duro water system and have an ongoing need for service.
47. The Palo Duro water system is currently in operation.
48. This is an application to transfer only existing facilities, customers, and service area.
49. There is no evidence in the record indicating a need for additional service within the requested area.

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

50. Hudson Oaks will be the sole certificated water utility for the requested area and be required to provide continuous and adequate service to the requested area.
51. There will be no effect on landowners in the area that is currently uncertificated. Those landowners in the area not currently receiving service from Hudson Oaks will be able to request water service from Undine.
52. There will be no effect on any retail public utility servicing the proximate area. All retail public utilities in the proximate area were provided notice of the transaction taking place in this application and did not request to intervene.

**Ability to Serve: Managerial and Technical**

53. Hudson Oaks has a sufficient number of licensed operators and the managerial and technical capability to provide adequate and continuous service to the requested service area.
54. No additional construction is necessary for Hudson Oaks to provide service to the requested area.
55. The Commission's complaint records, which date back five years, show no complaints against Undine.
56. Hudson Oaks has the technical and managerial capability to provide adequate and continuous service to the requested area.

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

57. Hudson Oaks has a debt-to-equity ratio greater than 1.25, meeting the leverage test.
58. Hudson Oaks demonstrated that an affiliated interest is capable, available, and willing to cover temporary cash shortages.
59. Hudson Oaks 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, satisfying the operations test.
60. Hudson Oaks submitted documents indicating it possesses the funds necessary for the purchase of Palo Duro's water system and for the construction of capital improvements necessary for Hudson Oaks to continue providing continuous and adequate service to existing customers.

61. Hudson Oaks demonstrated has demonstrated the financial capability and stability to provide continuous and adequate service to the requested area.

**Financial Assurance**

62. There is no need to require Hudson Oaks to provide a bond or other financial assurance to ensure continuous and adequate service.

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

63. Palo Duro is currently serving customers and has sufficient capacity.
64. The feasibility of obtaining service from an adjacent retail public utility was not considered because Palo Duro was adequately serving the existing customers and its facilities offer sufficient capacity.
65. 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 interconnect would need to be installed to connect to a neighboring retail public utility.
66. It is not feasible to obtain service from an adjacent retail public utility.

**Regionalization or Consolidation**

67. The construction of a physically separate water system is not necessary for Palo Duro to serve the requested area. Therefore, concerns of regionalization or consolidation do not apply.

**Environmental Integrity and Effect on the Land**

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

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

69. Hudson Oaks, using the water system already in place, will continue to provide water service to the existing customers in the area.
70. The customers' rates will not change from the current rates for the Trinity River Estates subdivision.
71. Reliability and quality of water service is expected to improve under Hudson Oaks' management.

**Map, Tariff Pages, and Certificate**

72. On August 13, 2024, Commission Staffed emailed Applicants the proposed final map, tariff pages, and certificate related to this docket.
73. On November 13, 2024, Commission Staff emailed Applicants updated tariff pages and certificates related to this docket.
74. On August 20, 2024, Palo Duro filed its consent form concurring with the tariff, final map, and certificate.
75. On August 20, 2024, Hudson Oaks filed its consent form concurring with the final map and certificate.
76. On November 13, 2024, Palo Duro filed its consent form concurring with the updated certificates.
77. On November 14, 2024, Hudson Oaks filed its consent form concurring with the updated certificates.
78. The proposed final map, tariff, and certificates were included as attachments to the joint supplemental motion to admit evidence and proposed notice of approval, filed on September 10, 2024, which was further amended in Commission Staff's Supplemental Response to Order No. 22, Motion to Admit Same, and Revised Joint Notice of Approval, filed on November 20, 2024, which included an amended tariff and revised consent forms.

**Informal Disposition**

79. More than 15 days have passed since the completion of notice provided in this docket.
80. No person filed a protest or motion to intervene.
81. Hudson Oaks, Palo Duro, and Commission Staff are the only parties to this proceeding.
82. No party requested a hearing and no hearing is needed.
83. Commission Staff recommended approval of the application.
84. The 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. Hudson Oaks and Palo Duro are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,<sup>1</sup> and Commission Rules.
4. The application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.227, 24.233, and 24.239.<sup>2</sup>
5. The Applicants provided notice of the application in compliance with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239.
6. The Applicants have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. The Applicants completed the sale within the time frame required by 16 TAC § 24.239(m).
8. It is not necessary for Hudson Oaks to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
9. After consideration of the factors in TWC § 13.246(c), Hudson Oaks demonstrated that it is capable of rendering continuous service to every customer in the requested area, as required by TWC § 13.251.
10. Hudson Oaks demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area, as required by TWC §§ 13.241(a) and 13.301(b).
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. The applicants have demonstrated that the sale and transfer of Palo Duro's certificated service area and existing facilities under CCN No. 12200 to Hudson Oaks and amend uncertificated area to CCN No. 12273 will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public. TWC §§ 13.301(d) and (e).
13. Under TWC § 13.257(r) and (s), Palo Duro and Hudson must record a certified copy of the map and certificate approved by this Notice of Approval, along with a boundary description

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

<sup>2</sup> 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.

of the service area, in the real property records of Parker 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 Palo Duro's water facilities and service area held under water CCN number 12200 to Hudson Oaks, and the amendment of Hudson Oaks water CCN number 12273 to include the area previously included in Palo Duro's water CCN number 12200 and remove the area from CCN number 12200.
2. The Commission approves the amendment of Hudson Oaks water CCN number 12273 to add 68.4 acres of uncertificated area.
3. The Commission approves the map and tariff attached to this Notice of Approval.
4. The Commission issues the certificate attached to this Notice of Approval.
5. Hudson Oaks must provide service to every customer or applicant for service within the approved area under Water CCN number 12273 that requests service and meet the requirements of Hudson Oaks water service policies, and such service must be continuous and adequate.
6. Hudson Oaks must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Parker 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.
7. Within ten days of the date of this Notice of Approval, Commission Staff must provide the Commission with a clean copy of Palo Duro's most current comprehensive tariff, including the tariff pages approved by this Notice of Approval, to be stamped *Approved* and retained by Central Records.
8. The Commission denies all other motions and any other requests for general or specific relief, if not specifically granted.

Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_ 2024.

**PUBLIC UTILITY COMMISSION OF TEXAS**

\_\_\_\_\_  
ADMINISTRATIVE LAW JUDGE





# WATER UTILITY TARIFF

## Docket Number: 54429

Palo Duro Service Company, Inc.  
(Utility Name)

3505 Williams Road  
(Business Address)

Fort Worth, Texas 76116  
(City, State, Zip Code)

(817) 675-2845 / (817) 992-4051  
(Area Code/Telephone)

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

12200

This tariff is effective in the following counties:

Parker and Wise

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

None

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

Duchane Chateaux (PWS #1840100), Glider Base Estates (PWS #2490028), and Aledo Ridge (PWS #1840185)

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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):

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**Duchane Chateaux and Glider Base Estates**

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u> (Includes 0 gallons)
5/8" or 3/4" gallons)	\$51.19 (Includes 2,000 gallons)	\$3.12 per 1,000 gallons (2,001 and over)

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 THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fee

TAP FEE .....\$650.00  
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.

(Utility Name)

**Duchane Chateaux, Glider Base Estates, and Trinity River Estates**

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

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

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

**RETURNED CHECK CHARGE .....**\$25.00

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

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

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

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE**

WHEN AUTHORIZED IN WRITING BY 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> (Includes 1,500 gallons)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$60.64</u>	\$4.14 per 1000 gallons from 1,501 to 2,000 gallons <u>\$6.34</u> per 1000 gallons from 2,001 to 4,000 gallons <u>\$8.55</u> per 1000 gallons from 4,001 gallons and thereafter

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

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$1,200.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique Costs) ..... Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISION 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

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

**TRANSFER FEE.....\$50.00**

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

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

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

**RETURNED CHECK CHARGE .....\$25.00**

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

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

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

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

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

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

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

## SECTION 2.0 -- SERVICE RULES AND POLICIES

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

### Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

### Section 2.02 - Refusal of Service

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

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

#### (A) Customer Deposits

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

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

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

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

#### (B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.

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

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

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

### (C) Easement Requirement

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

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

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

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

### Section 2.05 - Customer Responsibility

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

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

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

### Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

### Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 30 TAC § 290.47(f) Appendix F, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC § 290.47(f) Appendix F, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.



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

### Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

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

### Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

### Section 2.10 - Billing

#### (A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance.

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

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

### (B) Late Fees

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

### (C) Information on Bill

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

### (D) Prorated Bills

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

## Section 2.11- Payments

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

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

## Section 2.12 - Service Disconnection

### (A) With Notice

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

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

B) Without Notice

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

Section 2.13 - Reconnection of Service

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

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

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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

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

Section 2.17 - Customer Liability

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

## SECTION 3.0--EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

Line Extensions 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 PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

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.

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

### 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 water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if:

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

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. A service applicant requesting a one-inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

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

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

Section 3.03 - Contributions in Aid of Construction

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

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

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

#### Section 3.05 - Applying for Service

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

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 PUC for resolution.

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

APPENDIX A - DROUGHT CONTINGENCY PLAN

“This page incorporates by reference the utility’s Draught Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.”



APPENDIX B – SAMPLE SERVICE AGREEMENT  
(Utility Must Attach Blank Copy)

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



# **Public Utility Commission of Texas**

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

## **Palo Duro Service Company, Inc.**

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, Palo Duro Service Company, Inc. is entitled to this

### **Certificate of Convenience and Necessity No. 12200**

to provide continuous and adequate water utility service to that service area or those service areas in Parker and Wise counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54429 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 Palo Duro Service Company, Inc. 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.



# **Public Utility Commission of Texas**

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

## **City of Hudson Oaks**

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, the City of Hudson Oaks is entitled to this

### **Certificate of Convenience and Necessity No. 12273**

to provide continuous and adequate water utility service to that service area or those service areas in Parker County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54429 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 City of Hudson Oaks 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.