



Filing Receipt

Received - 2023-01-30 11:11:55 AM
Control Number - 54459
ItemNumber - 8

DOCKET NO. 54459

APPLICATION OF MEGAN ESTES	§	PUBLIC UTILITY COMMISSION
DBA BIG CREEK WEST WATER	§	
SUPPLY FOR A CLASS D RATE	§	OF TEXAS
ADJUSTMENT	§	

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND FINAL DISPOSITION**

On December 12, 2022, Megan Estes dba Big Creek West Water Supply (Big Creek) filed an application for a Class D rate adjustment under Texas Water Code (TWC) § 13.1872 and 16 Texas Administrative Code (TAC) § 24.49. Big Creek holds water Certificate and Convenience and Necessity (CCN) No. 13282 and is requesting a five percent increase in water rates. Big Creek filed supplemental information on December 16, 2022, December 19, 2022, and January 5, 2023.

On January 13, 2023, the administrative law judge (ALJ) filed Order No. 3, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file comments on the administrative completeness of the application and notice and a recommendation on final disposition by January 30, 2023. Therefore, this pleading is timely filed.

I. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application, notice, and supplemental information and as detailed in the attached memorandum from Kathryn Eiland, Rate Regulation Division recommends that the application and notice are administratively complete. Big Creek submitted an application using the Commission’s approved form and included a proposed notice that satisfies the requirements of 16 TAC § 24.49(e) and the relevant pages of Big Creek’s current tariff. In addition, Big Creek filed its application in the quarter that corresponds to the last two digits of its CCN as required by 16 TAC § 24.49(f)(2).

II. RECOMMENDATION ON FINAL DISPOSITION

Under TWC § 13.1872 and 16 TAC § 24.49, the Commission may approve a Class D utility’s request for a rate adjustment of no more than five percent without a hearing. As described in the memorandum, Ms. Eiland’s completed a technical review of the application and supplemental information and recommends approval of the increase in Big Creek’s water rates.

Staff has confirmed that the increase was calculated correctly and has attached a revised tariff reflecting the requested rate adjustment to this pleading to be provided to Big Creek.

III. NOTICE

Staff recommends that Big Creek issue notice of the rate adjustment using the notice attached to this pleading and in compliances with the following deadlines:

Event	Deadline
Deadline for Big Creek to provide notice to customers	March 1, 2023
Effective Date of rate adjustment	April 1, 2023

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively complete and that Big Creek's rate adjustment be approved. Staff further recommends that Big Creek provide notice of the new rate, using only the notice pages approved by the ALJ, by March 1, 2023 to be effective on April 1, 2023. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: January 30, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

John Harrison
Managing Attorney

/s/ Kevin Pierce
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DOCKET NO. 54459

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 January 30, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Kevin Pierce
Kevin Pierce

Public Utility Commission of Texas

Memorandum

TO: Kevin Pierce, Attorney
Legal Division

FROM: Kathryn Eiland, Regulatory Accountant
Rate Regulation Division

DATE: January 30, 2023

RE: Docket No. 54459 – *Application of Megan Estes dba Big Creek West Water Supply or a Class D Rate Adjustment*

On December 12, 2022, Megan Estes dba Big Creek West Water Supply (Big Creek) filed an application for a Class D rate adjustment under Docket No. 54459. On December 19, 2022, Megan Estes dba Cedar Creek Water Supply filed an application for a Class D rate adjustment application under Docket No. 54500. On December 16, 2002 and December 19, 2022, Megan Estes filed amendments to application for Big Creek under Docket No. 54459. On January 13, 2023, the administrative law judge issued Order No. 3 consolidating Docket No. 54459 and Docket No. 54500.

Under Texas Water Code (TWC) § 13.1872 and 16 Texas Administrative Code (TAC) § 24.29, a Class D utility may request an annual increase to its tariffed rates, under certain conditions described below. In support of its application, Megan Estes provided the following for:

1. Two Class D applications for a water annual rate adjustment;
2. Proposed notices to be issued to customers after the proposed rate adjustment is approved; and
3. Copies of the relevant pages of Megan Estes' current approved tariffs for Big Creek and Cedar Creek.

The requested increase may be implemented no more than once per calendar year and must be filed in the quarter designated by Commission rule.¹

Megan Estes holds Certificate of Convenience and Necessity (CCN) Number 13282. Therefore, the application was filed in the correct quarter as required by 16 TAC § 24.49(f)(2)(D).

An increase may not be granted more than four times between rate proceedings described under TWC § 13.1871.²

¹ TWC § 13.1872(f); 16 TAC § 24.49(f).

² TWC § 13.1872(f); 16 TAC § 24.49(f)(1).

This application represents Megan Estes' second class D rate adjustment request between base rate proceedings. Megan Estes' last rate adjustment was approved in 2021 in Docket No. 51977.³

The requested annual increase may be no more than five percent.⁴

Megan Estes requests approval to increase its current water base rates by 5%.

The following table includes Megan Estes' current and proposed minimum monthly water charges by meter size and current and proposed gallonage charge for Big Creek.

Meter Size	Current Minimum Monthly Charge (includes zero (0) gallons of water)	Proposed Minimum Monthly Charge (includes zero (0) gallons of water)
5/8" x 3/4"	\$22.05	\$23.15
Gallonage Charge	Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallons)
All Gallons of Water	\$3.15	\$3.31

The following table includes Megan Estes' current and proposed minimum monthly water charges by meter size and current and proposed gallonage charges for Cedar Creek.

Meter Size	Current Minimum Monthly Charge (includes zero (0) gallons of water)	Proposed Minimum Monthly Charge (includes zero (0) gallons of water)
5/8" x 3/4"	\$37.80	\$39.69
Gallonage Charge	Current Gallonage Rate (per 1,000 gallons)	Proposed Gallonage Rate (per 1,000 gallons)
Gallonage Charge	\$3.15	\$3.31

I have reviewed the application and confirmed that Megan Estes correctly calculated the proposed 5% increase to its current water rates for Big Creek and Cedar Creek.

Notice must be sent at least 30 days before the effective date of the proposed rate adjustment.⁵

Megan Estes submitted proposed Notices of Approved Utility Rate Adjustment which includes the information required by 16 TAC § 24.49(e). I have reviewed the notice for Big Creek. I

³ Application of Megan Estes for a Class D Rate Adjustment, Docket No. 51977, Corrected Notice of Approval (Aug. 19, 2021).

⁴ TWC § 13.1872(e)(2); 16 TAC § 24.49(c)(1).

⁵ TWC § 13.1872(c)(1), (e)(1); 16 TAC § 24.29(e).

recommend a minor correction to the new billing comparison for 5,000 gallons, which decreases the billing comparison from \$39.70 to \$39.69. I also recommend a minor correction to the new billing comparison for 10,000 gallons, which decreases the billing comparison from \$56.25 to \$56.23. Additionally, I recommend that Big Creek use March 1, 2023 as the date notice will be provided and April 1, 2023 as the effective date of the proposed rate adjustment. I have reviewed the notice for Cedar Creek. I recommend a minor correction to the new billing comparison for 5,000 gallons, which decreases the billing comparison from \$56.24 to \$56.23. I also recommend a minor correction to the new billing comparison for 10,000 gallons, which decreases the billing comparison from \$72.79 to \$72.77. Additionally, I recommend that Cedar Creek use March 1, 2023 as the date notice will be provided and April 1, 2023 as the effective date of the proposed rate adjustment.

Based upon my review of the application, I recommend that:

1. The applications be found administratively complete and the proposed notices as amended above be found sufficient;
2. The rate adjustment be approved as proposed in the application and with an effective date that coincides with Big Creek's and Cedar Creek's billing cycle;
3. Big Creek and Cedar Creek provide the approved notices to customers as required by TWC § 13.1872(c)(1) at least 30 days before the effective date of the proposed rate adjustment;
4. The attached tariff be approved; and
5. Commission Staff provide a copy of the approved tariff to Megan Estes.

The following files are not convertible:

	54459 Megan Estes dba Big Creek West
Water Supply. Notice to Customers.xlsx	
	54459 Megan Estes dba Cedar Creek Water
Supply. Notice to Customers.xlsx	

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.



WATER UTILITY TARIFF

Docket Number: 54459

Megan Estes dba Cedar Creek Water Supply dba Big Creek West Water Supply
(Utility Name)

254 LCR 909
(Business Address)

Jewett, Texas 75846
(City, State, Zip Code)

(228) 265-2616
(Area Code/Telephone)

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

13282

This tariff is effective in the following county:

Limestone

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

N/A

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

Cedar Creek Water Supply: PWS ID#1470021

Highlands, Timber Oaks

Big Creek West Subdivision: PWS ID#1470032

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> (Includes 0 gallons all meters)	<u>Gallonage Charge</u>
5/8" x 3/4"	<u>\$39.69</u>	<u>\$3.31</u> per 1,000 gallons over the minimum

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..... \$400.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED
IF LISTED ON THIS TARIFF.

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

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

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

SECTION 1.0 – RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

TRANSFER FEE\$5.00

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).....N/A

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 0 gallons all meters)	<u>Gallonage Charge</u>
5/8" x 3/4"	<u>\$23.15</u>	<u>\$3.31</u> per 1,000 gallons over the minimum

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..... \$400.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED
IF LISTED ON THIS TARIFF.

TAP FEE (Unique Costs)..... Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL
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SECTION 1.0 – RATE SCHEDULE (Continued)

RECONNECTION FEE

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RETURNED CHECK CHARGE\$25.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....N/A

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 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 – Public Utility Commission Rules

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

Section 2.02 - Application for and Provision of Water Service

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

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

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

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

Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the 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 a complaint may be filed with the Commission.

Section 2.04 - Customer Deposits

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

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

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

Section 2.05 - Meter Requirements, Readings, and Testing

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

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

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

Section 2.06 - Billing

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

A late penalty of either \$2.00 or 5.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

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 telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

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

Section 2.07 - Service Disconnection

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

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

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules. Utility service may also be disconnected without notice for reasons as described in the PUC Rules. Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

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

Section 2.09 - Service Interruptions

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

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.10 - Quality of Service

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

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion 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.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

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

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

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

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

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

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

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

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

Developers 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.

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)