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DOCKET NO. 54546

APPLICATION OF TEXAS WATER UTILITIES, LP AND WOODLAND OAKS UTILITY LP FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS AND FOR A NAME CHANGE TO CERTIFICATES OF CONVENIENCE AND NECESSITY IN MONTGOMERY COUNTY	§ § § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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COMMISSION STAFF’S RECOMMENDATION ON FINAL DISPOSITION AND NAME CHANGE REQUEST

I. INTRODUCTION

On January 4, 2022, Texas Water Utilities, L.P. (Texas Water) and Woodland Oaks utility Company, Inc. (Woodland Oaks) (collectively, Applicants) filed an application for the sale, transfer, or merger of facilities and certificate rights in Montgomery County under the provisions of Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. Texas Water filed supplemental information on May 1 and May 2, 2023.

On May 31, 2023, the administrative law judge (ALJ) filed Order No. 9, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to [request a hearing or file a recommendation on final disposition of the application and name change] request by June 6, 2023. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON FINAL DISPOSITION OF APPLICATION

Staff has reviewed the application, as supplemented, and, as supported by the memoranda of Jolie Mathis, Infrastructure Division, and Fred Bednarski III, Rate Regulation Division, recommends and respectfully requests the entry of an order permitting the proposed transaction to proceed. Under 16 TAC § 24.239(i), and TWC §§ 13.246 and 13.301, Staff recommends that this transaction will serve the public interest and should be allowed to proceed without a public hearing. If the transaction is permitted to proceed, Staff further requests that the Applicants be required to file evidence that all assets have been transferred to the acquiring entity and that the disposition of any remaining deposits have been addressed as soon as possible, as required by 16 TAC § 24.239(f).

Staff notes that the approval of the sale expires 180 days from the date of the Commission's written approval of the sale. If the sale is not consummated within that period, and unless the Applicants request and receive an extension from the Commission, the approval is void, and the Applicants must re-apply for the approval of the sale, as required by 16 TAC § 24.239(m).

III. RECOMMENDATION REGARDING NAME CHANGE REQUEST

Staff has reviewed the name change request and recommends that it be approved. Specifically, Woodland Oaks Utility, LP requests to change the name on its Certificate of Convenience and Necessity (CCN) water No. 12947 and sewer CCN No. 20880 from Woodland Oaks Utility Company, Inc. to Woodland Oaks Utility, LP. A Certificate of Conversion was filed with the Texas Secretary of State by Woodland Oaks Utility Company, Inc. on September 28, 2009. Woodland Oaks Utility Company, Inc. has been operating as Woodland Oaks Utility, LP since that time. Therefore, Staff recommends that the name change request be approved.

IV. CONCLUSION

Staff respectfully requests the entry of an order consistent permitting the proposed transaction to proceed and for the name change request to be approved.

Date: June 6, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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Interim Division Director

Sneha Patel
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/s/ Margaux Fox
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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on June 6, 2023 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Margaux Fox
Margaux Fox

Public Utility Commission of Texas

Memorandum

TO: Margaux Fox, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: June 6, 2023

RE: Docket No. 54546 – *Application of Texas Water Utilities, LP and Woodland Oaks Utility LP for Sale, Transfer, or Merger of Facilities and Certificate Rights and for a Name Change to Certificates of Convenience and Necessity in Montgomery County*

1. Application

Texas Water Utilities, LP (Texas Water) and the Woodland Oaks Utility LP (Woodland Oaks) (collectively Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Montgomery County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Texas Water, Certificate of Convenience and Necessity (CCN) Water CCN No. 12983 and Sewer CCN No. 20899, seeks approval to acquire facilities and to transfer a portion of the water and sewer certificated service area from Woodland Oaks under water CCN No. 12947 and sewer CCN No. 20880.

In addition to the transfer request, Woodland Oaks Utility, LP requests to change the name on its CCN Nos. 12947 and 20880 from Woodland Oaks Utility Company, Inc. to Woodland Oaks Utility, LP. A Certificate of Conversion was filed with the Texas Secretary of State by Woodland Oaks Utility Company, Inc. on September 28, 2009. Woodland Oaks Utility Company, Inc. has been operating as Woodland Oaks Utility, LP since that time.

Based on the mapping review by Hank Journey, Infrastructure Division:

Requested Water Area

- The requested water area includes 1,251 customer connections and approximately 884 acres of transferred area from Woodland Oaks (CCN No. 12947) to Texas Water (CCN No. 12983).

- The application proposes the subtraction of approximately 884 acres from CCN No. 12947 and the addition of approximately 884 acres to CCN No. 12983.

Requested Sewer Area

- The requested sewer area includes 1,291 customer connections and approximately 737.6 acres of transferred area from Woodland Oaks (CCN No. 20880) to Texas Water (CCN No. 20899).
- The application proposes the subtraction of approximately 737.6 acres from CCN No. 20880 and the addition of approximately 737.6 acres to CCN No. 20899.

2. Notice

Texas Water provided notice consistent with 16 TAC § 24.239(c). The deadline to intervene was April 24, 2023; OPUC filed a motion to intervene, which was granted on February 1, 2023 in Order No. 2. There were no protests or opt-out requests received.

3. Factors Considered

Under TWC §§ 13.241, 13.246, and 13.301 and 16 TAC §§ 24.11(e), 24.227, and 24.239, the Commission must consider certain factors when granting or amending a water or sewer CCN. These factors are addressed below.

3.1. *Consideration of the adequacy of service currently provided to the requested area and system compliance (TWC § 13.246(c)(1), 13.301(e)(3)(A); 16 TAC §§ 24.227(a) and (e)(1), 24.239(h)(3)(A), (h)(5)(A), and (h)(5)(I)).*

Woodland Oaks has a Texas Commission on Environmental Quality (TCEQ) approved public water system (PWS) registered as Woodland Oaks Subdivision, PWS ID No. 1700648, and wastewater treatment plant (WWTP) registered as Woodland Oaks Utility LP, Wastewater Discharge Permit No. WQ0014-166001. The last TCEQ compliance investigation of the Woodland Oaks Subdivision water system was on November 18, 2021. The last TCEQ compliance investigation of the Woodland Oaks Utility LP sewer system was on July 7, 2021. Woodland Oaks has 3 violations listed in the TCEQ database that have since been resolved. The Commission's complaint records, which date back 5 years, show 22 complaints against Woodland Oaks. All the complaints have been reviewed and closed by the Commission's Customer Protection Division.

3.2. *Consideration of the need for additional service in the requested area (TWC § 13.246(c)(2); 16 TAC §§ 24.227(e)(2) and 24.239(h)(5)(B)).*

There are currently 1,251 water and 1,291 sewer existing customers in the requested area, therefore, there is a need for service. No additional service is needed at this time.

3.3. *Consideration of the effect of granting an amendment on the recipient of the certificate or amendment, on the landowners in the area, and on any other retail*

public utility of the same kind already servicing the proximate area (TWC § 13.246(c)(3), 16 TAC §§ 24.227(e)(3), 24.239(h)(5)(c)).

Texas Water will be the certificated entity for the requested area and be required to provide continuous and adequate service to the requested area.

There will be no effect on landowners as the area is currently certificated.

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.

3.4. Consideration of the managerial and technical ability of the applicant to provide adequate service (TWC §§ 13.241(a) and (b), 13.246(c)(4); and 13.301(b) and (e)(2); 16 TAC §§ 24.227(a) and (e)(4), and 24.239(f) and (h)(5)(D)).

TCEQ rule, 30 TAC § 290.46, Minimum Acceptable Operating Practices for Public Drinking Water Systems, requires the operation of a public water system by trained and licensed personnel. The production, treatment, and distribution facilities at the public water system must be operated at all times under the direct supervision of a water works operator who holds an applicable, valid license issued by the TCEQ executive director. The licensed operator of a public water system may be an employee, contractor, or volunteer. Texas Water will have qualified TCEQ licensed operators licensed in water treatment to run the acquired systems.

TCEQ rule, 30 TAC §30.331(b), Wastewater Operators and Operations Companies, requires the operators of a domestic wastewater treatment facility to have a valid license issued by the TCEQ executive director. Texas Water will have qualified TCEQ licensed operators licensed in wastewater treatment to run the acquired systems.

Texas Water will have licensed operators to run the system operations. A Class C operator will be the responsible operator for the system.

Texas Water has the ability to provide adequate service in the requested area. Texas Water has several TCEQ approved public water systems and wastewater treatment plants. The Commission's complaint records, which date back 5 years, show 34 complaints against Texas Water. All the complaints have been reviewed and closed by the Commission's Customer Protection Division.

3.5. The applicants' demonstration that regionalization or consolidation with another retail public utility is not economically feasible when construction of a physically separate water or sewer system is required to provide service to the requested area. (TWC § 13.241(d); 16 TAC § 24.227(b)).

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

3.6 Consideration of the feasibility of obtaining service from an adjacent retail public utility (TWC § 13.246(c)(5); 16 TAC §§ 24.227(e)(5) and 24.239(h)(5)(E)).

Woodland Oaks is currently serving customers and has sufficient capacity. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities will need to be constructed. At the minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

- 3.7. ***An application for a certificate of public convenience and necessity or for an amendment to a certificate must contain: a capital improvements plan, including a budget and estimated timeline for construction of all facilities necessary to provide full service to the entire proposed service area (TWC § 13.244(d)(3)).***

Texas Water is proposing to make improvements to the Woodland Oaks Subdivision's water and sewer system. The proposed capital improvements are expected to exceed \$100,000, therefore the need for firm capital commitment under 16 TAC § 24.11(e)(5) is required.

The Rate Regulation Division will be addressing the need for firm capital commitment criterion in a separate memo.

- 3.8. ***Consideration of the financial ability of the applicant to pay for facilities necessary to provide continuous and adequate service (TWC §§ 13.246(c)(6) and 13.301(b); 16 TAC §§ 24.227(a) and (e)(6), 24.11(e), and 24.239(f) and (h)(5)(F)).***

The Rate Regulation Division will be addressing this criterion in a separate memo.

- 3.9. ***Requirement of the applicant to provide a bond or other financial assurance in a form and amount specified by the Commission to ensure that continuous and adequate utility service is provided (TWC §§ 13.246(d), 13.301(c); 16 TAC §§ 24.227(f), 24.239(f)).***

The Rate Regulation Division will be addressing this criterion in a separate memo.

- 3.10. ***Consideration of the environmental integrity and the effect on the land to be included in the certificated area (TWC § 13.246(c)(7) and (9); and 16 TAC §§ 24.227(e)(7) and (9) and 24.239(h)(5)(G)).***

The environmental integrity of the land will not be affected as no additional construction is needed to provide service to the requested area.

- 3.11. ***Consideration of the initial rates for certain water or sewer systems after purchase or acquisition (TWC § 13.3011).***

As allowed by the statute, Texas Water has requested that the customers' water rates be changed to match Texas Water's currently effective approved rates for the Cedar Springs MHP subdivision. Texas Water's currently approved rates have been in effect since November 15, 2022.¹ The application was deemed administratively complete on March

¹ Attachment 1 – Texas Water Utilities “main” rate pages

13, 2023.² A rate comparison worksheet is provided showing the saving benefit to the customers by allowing Woodland Oaks³ to be added to the rate tariff for Cedar Springs MHP which is billed in phases,⁴ slowly changing each year until it reaches Texas Water Utilities current approved overall rates.⁵

3.12. *Consideration of the probable improvement in service or lowering of cost to consumers (TWC § 13.246(c)(8); 16 TAC §§ 24.227(e)(8), 24.239(h)(5)(H)).*

The customers' rates will be higher than the current water rates for the Woodland Oaks Subdivision. The sewer rates⁶ will remain the same as the current rates for the Woodland Oaks Subdivision customers. Reliability and quality of water service is expected to improve under Texas Water's management.

The Applicants meet all of the applicable statutory requirements of TWC Chapter 13 and the Commission's Chapter 24 rules. Due to a probable improvement of service approving this application is in the public interest and necessary for the service, accommodation, convenience and safety of the public.

4. Recommendation

Based on the above information, I recommend that the Commission find that the transaction will serve the public interest and that the Applicants be allowed to proceed with the proposed transaction. There are no deposits held by Woodland Oaks for the customers being served by Woodland Oaks Subdivision. I further recommend that a public hearing is not necessary.

² In Order No. 5 filed on March 13, 2023, the administrative law judge found the application administratively complete.

³ Attachment 2 – Woodland Oaks water rate pages

⁴ Attachment 3 – Texas Water Utilities Cedar Springs MHP rate pages

⁵ Attachment 4 – Texas Water Utilities and Woodland Oaks water rate comparison worksheets

⁶ Attachment 5 – Woodland Oaks sewer rate pages

Public Utility Commission of Texas

Memorandum

TO: Margaux Fox
Legal Division

FROM: Fred Bednarski III
Rate Regulation Division

DATE: June 6, 2023

RE: Docket No. 54546 *Application of Texas Water Utilities, L.P. and Woodland Oaks Utility LP for Sale, Transfer, or Merger of Facilities and Certificate Rights and for a Name Change to Certificates of Convenience and Necessity in Montgomery County*

On January 4, 2023, Texas Water Utilities, L.P. (TWU) and Woodland Oaks Utility, LP (Woodland Oaks) filed an application for the sale and transfer of facilities and certificate rights in Montgomery County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

An owner or operator of a retail public utility must have the financial resources to operate and manage the utility and to provide continuous and adequate service to the current and requested utility service areas, as established by 16 Texas Administrative Code (TAC) § 24.11. TWU must demonstrate that it meets one of the five leverage tests under 16 TAC § 24.11(e)(2) as well as the operations test under 16 TAC § 24.11(e)(3).

Leverage Test

TWU filed an affidavit stating that SouthWest Water Company (SouthWest Water) is capable, available, and willing to cover any temporary cash shortages and operating expense shortfalls.¹

My analysis is based on financial statements ending December 31, 2021. These financial statements contain an unqualified auditor's opinion from PricewaterhouseCoopers LLP stating that

¹ Texas Water Utilities, L.P.'s Response to Commission Staff's First Request for information at pdf 8 and 10 (Mar. 16, 2023).

the financial statements present fairly, in all material respects, the financial position of SouthWest Water as of December 31, 2021.²

SouthWest Water's financial statements demonstrate a debt service coverage ratio of 7.56 as provided in confidential attachment FB-1. Because the ratio is more than 1.25, I recommend a finding that SouthWest Water meets the leverage test specified in 16 TAC § 24.11(e)(2)(B). Therefore, I recommend a finding that—through its affiliate—TWU meets the leverage test as specified in 16 TAC § 24.11(e)(2)(E).

Operations Test

An owner or operator must demonstrate sufficient available cash to cover projected cash shortages for operations and maintenance expense during the first five years of operations; or an affiliated interest may provide a written guaranty of coverage of temporary cash shortages if the affiliated interest also satisfies the leverage test, as required by 16 TAC § 24.11(e)(3).

The affidavit provided by TWU demonstrates a written guarantee of coverage of temporary cash shortages from an affiliated interest. TWU projects no net operating and maintenance shortages as provided in confidential attachment FB-1. Therefore, I recommend a finding that TWU meets the operations test specified in 16 TAC § 24.11(e)(3).

Planned Capital Improvements and Purchase Price

An applicant proposing service to a new CCN area must provide documentation of adequate funding for the purchase of an existing system plus any improvements necessary to provide continuous and adequate service to the existing customers per 16 TAC § 24.11(e)(5)(A).

TWU has filed documentation demonstrating adequate funding of the purchase price and planned system improvements for the Woodland Oaks' water system alongside all of TWU's other purchased systems and planned system improvements provided in confidential attachment FB-1. Therefore, I recommend a finding that TWU satisfies the requirements of 16 TAC § 24.11(e)(5)(A).

Fair market value and ratemaking rate base (TWC 13.305(i))

² Confidential Commission Staff's First Request for Information – Attachments Staff 1-1, 1-2, 1-3, 1-4, and 1-5 at pdf 25 and 26 (Mar. 16, 2023).

Because TWU has filed notice with the Commission of its intent to use a fair market value (FMV) process to determine the ratemaking rate base of Woodland Oaks, the following provisions of TWC § 13.305 apply to this proceeding:

(f) For the purposes of the acquisition, the fair market value is the average of the three utility valuation expert appraisals conducted under Subsection (c).

(g) For an acquisition of a selling utility, the ratemaking rate base of the selling utility is the lesser of the purchase price negotiated by the acquiring utility and the selling utility or the fair market value. The ratemaking rate base of the selling utility shall be incorporated into the rate base of the acquiring utility during the utility's next rate base case under Subchapter F.

(i) If the utility commission approves the application for acquisition under Section 13.301, the utility commission shall issue an order that includes:

(1) the ratemaking rate base of the selling utility as determined under Subsection (g); and

(2) any additional conditions for the acquisition the utility commission requires.

Consistent with the above statutory provisions, the table in confidential Attachment FB-1 shows the FMV appraisal amount reported by each of the utility valuation experts and the resulting average amount.

Because the average of the three appraisals yields a FMV which is less than the sales price, the ratemaking rate base for Woodland Oaks is the average of the three appraisal amounts, provided in confidential attachment FB-1, as prescribed by the provisions of TWC § 13.305(g).

Recommendation

Because TWU meets the financial tests, I do not recommend that the Commission require additional financial assurance.

Consequently, I recommend a finding that TWU demonstrates the financial and managerial capability needed to provide continuous and adequate service to the area subject to this application.

My conclusions are based on information provided by TWU before the date of this memorandum and may not reflect any changes in TWU's status after this review.

Attachment 1
Texas Water Utilities “main” rate pages

SECTION 1.0 - RATE SCHEDULE

Section 1.01 – Rates

Texas Water Utilities - RATES effective 06-01-2021

METER SIZE	MONTHLY MINIMUM CHARGE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$48.37	0 to 2,000	\$6.48
5/8"x3/4"	\$48.37		
3/4"	\$72.56	2,001 to 10,000	\$7.98
1"	\$120.93		
1½"	\$241.85	10,001 to 20,000	\$9.05
2"	\$386.96		
3"	\$725.55	over 20,000	\$9.64
4"	\$1,209.25		
6"	\$2,418.50	Purchased Water Passthrough – all usage	\$2.34
8"	\$3,869.60		
10"	\$5,562.55		
12"	\$10,399.55		

Income Qualified Elderly Customers 65 years of age or older
Effective Date: 06-01-2021

Meter Size	Monthly Minimum Charge (Includes 0 gallons)	Gallonage Charge
5/8"	\$28.37	\$6.48 per 1,000 gallons from 0 to 2,000 gallons \$7.98 per 1,000 gallons from 2,001 to 10,000 gallons \$9.05 per 1,000 gallons from 10,001 to 20,000 gallons \$9.64 per 1,000 from 20,001 and thereafter

SECTION 1.0 RATE SCHEDULE (Continued)

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST IN ACCORDANCE WITH COMMISSION RULES.

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill \$25.00
- b) Customer's request \$50.00

Or other reasons listed under section 2.0 of this tariff

TRANSFER FEE \$45.00

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

LATE CHARGE 10% of the delinquent bill

A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$25.00

CUSTOMER DEPOSIT – RESIDENTIAL \$50.00

CUSTOMER DEPOSIT – NON-RESIDENTIAL 1/6TH EST. ANNUAL BILL

METER TEST FEE (actual cost of testing the meter up to) \$25.00

THIS FEE 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.

SEASONAL RECONNECTION FEE

BASE RATE FOR METER SIZE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE-MONTH PERIOD.

SECTION 1.0 RATE SCHEDULE (Continued)

METER RELOCATION FEE Actual cost to relocate meter
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER.

METER CONVERSION FEE Actual cost to convert meter
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMER'S SERVICE DEMAND.

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 2.12 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.02 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:
INCREASES IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 16 TAC § 24.25(b)(2)(G) AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

SUPPLEMENTAL EMERGENCY SERVICE FEE
APPLICABLE TO NONRESIDENTIAL WATER SERVICE CUSTOMERS THAT REQUIRE SUPPLEMENTAL SERVICE OVER AND ABOVE THEIR EXISTING WATER SERVICE FROM TIME TO TIME. USAGE TO BE DETERMINED BY CUSTOMER. THE MINIMUM DIAMETER FOR SUPPLEMENTAL SERVICE METER SHALL BE 2 INCHES.

MONTHLY SUPPLEMENTAL SERVICE RATE \$14.64
PER INCH DIAMETER OF SERVICE CONNECTION PIPE AND USAGE IS BILLED AT HIGHEST TIER.

DAMAGE OR SERVICE DIVERSION FEE Actual Cost
ONE-TIME CHARGE, PER OCCURRENCE, FOR ALL LABOR, MATERIAL, EQUIPMENT, AND ALL OTHER ACTUAL COSTS NECESSARY TO REPAIR OR REPLACE ALL EQUIPMENT DAMAGED DUE TO NEGLIGENCE, METER TAMPERING OR BYPASSING, OR SERVICE DIVERSION.

WATER PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT:
CHANGES IN FEES IMPOSED BY ANY NON-AFFILIATED THIRD PARTY WATER SUPPLIER OR UNDERGROUND WATER DISTRICTS HAVING JURISDICTION OVER THE UTILITY SHALL BE CHARGED THROUGH THE WATER PASS-THROUGH GALLONAGE CHARGE ADJUSTED ANNUALLY ACCORDING TO THE FOLLOWING TRUE-UP FORMULA INTENDED TO BALANCE REVENUE FROM THE CHARGE AGAINST ACTUAL PAYMENTS AND COLLECTIONS FROM THE PRIOR YEAR:

$$WPC = ((TAC - BAC) + TUC) / TWS$$

Where:

- TAC = Total Annual Costs for 12-month period
- BAC = Baseline Annual Purchased Water Costs from last Rate Application
- TUC = True-up Costs either Over Collections or Under Collections
- TWS = Total Water Sales for 12 months

The WPC must be trued up and adjusted every twelve months.

To implement, all notice requirements must be met. The utility may begin to charge the new filed WPC on the proposed effective date in the notice. Implementation of this WPC adjustment provision shall be governed by 16 TAC § 24.25(h).

Attachment 2
Woodland Oaks water rate pages

SECTION 1.0 - RATE SCHEDULE

Monthly Minimum Charges

(Includes 0 gallons)

Residential Meter Size	Effective 5/26/2011	Effective 5/26/2012
5/8" x 3/4"	\$30.64	\$36.28
3/4"	\$39.71	\$54.42
1"	\$82.85	\$90.70
1 1/2"	\$165.70	\$181.40
2"	\$242.12	\$290.24
3"	\$422.10	\$544.20
4"	\$769.20	\$1,088.40

Commercial customers are required to have a minimum 1" meter connection.

Gallage Charge

\$2.58	per 1,000 gallons from 0 to 10,000 gallons
\$3.33	per 1,000 gallons from 10,001 gallons thereafter

Pass-Through Fees:

In addition to the gallage charge, the Lone Star Groundwater Conservation District (LSGCD) Pumpage fee of \$0.12 per 1,000 gallons used will be charged to all ratepayers within the boundaries of LSGCD.

Tariff Control No. 47774

In addition to the gallage charge, the San Jacinto River Authority (SJRA) Groundwater Reduction Plan fee of \$3.39 per 1,000 gallons used will be charged to all ratepayers affected by the SJRA Groundwater Reduction Plan.

Tariff Control No. 52257

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

Cash___, 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 REMIT THE FEE TO THE TCEQ.

TAP FEE..... \$500.00 (Residential)
 \$1,000.00 (Commercial)

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.

Tariff Control Number: 52257

PUBLIC UTILITY COMMISSION OF TEXAS
 APPROVED

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SECTION 1.0 - RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees

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 COST TO RELOCATE METER 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.

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 \$40.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$30.00
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 1.0 - RATE SCHEDULE (Continued)

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

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

$$AG = G/(1-L)$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent
- G = current purchased water/district approved gallonage charge (per 1,000 gallons)
- L = system average line loss for the preceding 12 months not to exceed 0.15

To implement or modify the pass-through provision, the utility must comply with all notice and other requirements of 16 TAC § 24.25(h).

Tariff Control Number: 52257

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

SEP - 1 2021

DOCKET

52257

Attachment 3
Texas Water Utilities Cedar Springs
MHP rate pages

SECTION 1.0 RATE SCHEDULE (Continued)

Texas Water Utilities (Cedar Springs MHP, Center Point, Heritage Park Water System, Hills & Dales, Oak Ridge Estates Water System, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Windwood Oaks Water System, Woodhaven Mobile Home Park) - RATES effective 06-01-2023 (Phase 3 of 4)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$44.12	0 to 2,000	\$5.65
5/8"x3/4"	\$44.12		
3/4"	\$66.18	2,001 to 10,000	\$6.94
1"	\$110.30		
1½"	\$220.60	10,001 to 20,000	\$7.85
2"	\$352.96		
3"	\$661.80	over 20,000	\$8.40
4"	\$1,103.00		
6"	\$2,206.00	Purchased Water Passthrough	See below
8"	\$3,529.60		
10"	\$5,073.80		
12"	\$9,485.80		

Texas Water Utilities (Cedar Springs MHP, Center Point, Heritage Park Water System, Hills & Dales, Oak Ridge Estates Water System, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Windwood Oaks Water System, Woodhaven Mobile Home Park) - RATES effective 06-01-2024 (Phase 4 of 4)

METER SIZE	MONTHLY BASE RATE (includes 0 gallons)	GALLONAGE TIER	CHARGE PER 1,000 GALLONS
5/8"	\$48.37	0 to 2,000	\$6.48
5/8"x3/4"	\$48.37		
3/4"	\$72.56	2,001 to 10,000	\$7.98
1"	\$120.93		
1½"	\$241.85	10,001 to 20,000	\$9.05
2"	\$386.96		
3"	\$725.55	over 20,000	\$9.64
4"	\$1,209.25		
6"	\$2,418.50	Purchased Water Passthrough	See below
8"	\$3,869.60		
10"	\$5,562.55		
12"	\$10,399.55		

Attachment 4
Texas Water Utilities and Woodland
Oaks water rate comparison worksheets

Rate comparison - Water

Woodland Oaks

Meter Size	Current Rate	Pass through \$3.39 & \$.12 per 1,000 gallons	Tiered Rates	Gallonge Range		Gallons		
				Lowest	Highest	2,000	5,000	10,000
5/8"	\$36.28	3.51				\$48.46	\$66.73	\$62.08
					1			
			\$2.58	1	10,000			
			\$3.33	10,001	9,999,999			

New Proposed Rates:

Texas Water Utilities "Main" rates

Meter Size	Proposed	Including ____ # of gallons	Tiered Rates	Gallonge Range		Gallons		
				Lowest	Highest	2,000	5,000	10,000
5/8"	\$48.37	0	\$6.48	1	2,000	\$61.33	\$85.27	\$125.17
			\$7.98	2,001	10,000			
			\$9.05	10,001	20,000			
			\$9.64	20001	9,999,999			

Increase	\$12.87	\$18.54	\$63.09
	26.56%	27.78%	101.63%

Woodland Oaks				Gallonage Range		Gallons		
Meter Size	Current Rate	Pass through \$3.39 & \$.12 per 1,000 gallons	Tiered Rates	Lowest	Highest	2,000	5,000	10,000
5/8"	\$36.28	3.51	\$0.00			\$48.46	\$66.73	\$62.08
			\$2.58	1	10,000			
			\$3.33	10,001	9,999,999			

OPUC & Undine agreed effective rate

Cedar Springs MHP Phase 3		Effective Date	Gallonage Range			Gallons		
Meter Size	Proposed	Including ____ # of gallons	Tiered Rates	Lowest	Highest	2,000	5,000	10,000
5/8"	\$44.12	0	\$5.65	1	2,000	\$55.42	\$76.24	\$110.94
			\$6.94	2,001	10,000			
			\$7.85	10,001	20,000			
			\$8.40	20001	9,999,999			

Increase	\$6.96	\$9.51	\$48.86
	14.36%	14.25%	78.70%

Attachment 5
Woodland Oaks sewer rate pages

**SEWER UTILITY TARIFF
FOR**

Woodland Oaks Utility Company, Inc. -
(Utility Name)

P.O. Box 247
(Business Address)

Conroe, Texas 77305
(City, State, Zip Code)

(936)539-1232
(Area Code/Telephone)

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

20880

This tariff is effective in the following county:

Montgomery

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

None

This tariff is effective in the following subdivisions and water quality permit numbers:

Woodland Oaks and Forest West (WQ#14166-001)
Timber Oaks Crossing Subdivision (WQ#14312-001)

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 3.0 -- EXTENSION POLICY	9
APPENDIX A -- SAMPLE SERVICE AGREEMENT	14

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37006-R, CCN 20880, MAY 26, 2011
APPROVED TARIFF BY 

SECTION 1.0 - RATE SCHEDULE

Monthly Minimum Charges

(includes 0 gallons)

Residential	Effective	Effective	<u>Gallonge Charge</u>
<u>Meter Size</u>	<u>5/26/2011</u>	<u>5/26/2012</u>	<u>\$3.00</u> per 1000 gallons
5/8" x 3/4"	\$31.27	\$35.53	
3/4"	\$40.15	\$53.30	
1"	\$81.92	\$88.83	
1 1/2"	\$163.83	\$177.65	
2"	\$242.12	\$284.24	
3"	\$416.48	\$532.95	
4"	\$757.95	\$1,065.90	

Monthly Minimum Charges

(includes 0 gallons)

Commercial Domestic	Effective	Effective	<u>Gallonge Charge</u>
<u>Meter Size</u>	<u>5/26/2011</u>	<u>5/26/2012</u>	<u>\$3.75</u> per 1000 gallons
1"	\$81.92	\$88.83	
1 1/2"	\$163.83	\$177.65	
2"	\$242.12	\$284.24	
3"	\$416.48	\$532.95	
4"	\$757.95	\$1,065.90	

Monthly Minimum Charges

(includes 0 gallons)

Commercial Non-Domestic	Effective	Effective	<u>Gallonge Charge</u>
<u>Meter Size</u>	<u>5/26/2011</u>	<u>5/26/2012</u>	<u>\$4.50</u> per 1000 gallons
1"	\$131.92	\$138.83	
1 1/2"	\$213.83	\$227.65	
2"	\$292.12	\$324.24	
3"	\$466.48	\$582.95	
4"	\$807.95	\$1,115.90	

Small-Use Commercial Domestic - Commercial domestic customers with no more than one sink and one toilet.

\$35.00 per month per connection including 0 gallons and
\$3.75 per 1,000 gallons

Volume charges are determined based on average consumption for winter period which includes the following months: December, January, February (residential customers only).

RATES LISTED ARE EFFECTIVE ONLY
 IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY
 37006-R, CCN 20880, MAY 26, 2011
 APPROVED TARIFF BY 

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

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

Cash____, 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%

TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

MONTHLY STAND-BY FEE\$25.00

A STAND-BY FEE WILL BE CHARGED TO WOODLAND OAKS SUBDIVISION PROPERTY OWNERS UNTIL SUCH TIME THAT SERVICE IS REQUESTED AND TAP FEES ARE PAID.

Commercial customers are required to have a minimum 1" meter connection.

Section 1.02 - Miscellaneous Fees

TAP FEE (Residential)..... \$800.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Commercial)\$1,500.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap) Actual Cost

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

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..... \$40.00

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

RATES LISTED ARE EFFECTIVE ONLY
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TEXAS COMM. ON ENVIRONMENTAL QUALITY
37006-R, CCN 20880, MAY 26, 2011
APPROVED TARIFF BY JIBO

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)	<u>10%</u>
TCEQ 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	<u>\$30.00</u>
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.	
CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)	<u>\$50.00</u>
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. [30 TAC 291.21(K)(2)]	
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.	

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TEXAS COMM. ON ENVIRONMENTAL QUALITY
37006-R, CCN 20880, MAY 26, 2011
APPROVED TARIFF BY 