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DOCKET NO. 55304

APPLICATION OF TEXAS WATER UTILITIES, LP AND SWWC UTILITIES, INC. DBA HORNSBY BEND UTILITY COMPANY, INC. FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN TRAVIS COUNTY	§ § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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NOTICE OF APPROVAL

This Notice of Approval addresses the application of Texas Water Utilities, LP and SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc. for approval of the sale, transfer, or merger of facilities and certificate rights in Travis County. The Commission approves the following: (1) the sale and transfer to Texas Water Utilities of all facilities and service areas held by Hornsby Bend under certificate of convenience and necessity (CCN) numbers 11978 and 20650; (2) the amendment of Texas Water Utilities' CCN numbers 12983 and 20899 to include all facilities and service areas previously held by Hornsby Bend under CCN numbers 11978 and 20650; and (3) the cancellation of Hornsby Bend's CCN numbers 11978 and 20650.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants and Affiliated Entity

1. Texas Water Utilities is a Texas limited partnership registered with the Texas secretary of state under file number 800034797.
2. Texas Water Utilities operates, maintains, and controls facilities for providing water service for compensation in multiple counties, including Travis County, under CCN number 12983.
3. Texas Water Utilities operates, maintains, and controls facilities for providing sewer service for compensation in multiple counties, including Travis County, under CCN number 20899.

4. SWWC Utilities Inc. is a Delaware corporation registered with the Texas secretary of state under file number 800832416.
5. SWWC Utilities Inc. is registered with the Texas secretary of state to do business as Hornsby Bend Utility Company, Inc.
6. Hornsby Bend holds CCN number 11978 which obligates it to provide retail water service in its certificated service area in Travis County.
7. Hornsby Bend holds CCN number 20650 which obligates it to provide retail sewer service in its certificated service area in Travis County.
8. Hornsby Bend owns a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Austin's Colony, under identification number TX2270255.
9. Hornsby Bend owns a sewer system permitted by the TCEQ as Austin's Colony, under Texas Pollutant Discharge Elimination System permit number WQ0013138001.
10. SWWC Utilities, Inc. and Texas Water Utilities are both wholly owned subsidiaries of SouthWest Water Company, a Delaware corporation registered with the Texas secretary of state under file number 800099536.

Application

11. On July 31, 2023, Texas Water Utilities and Hornsby Bend filed the application at issue in this proceeding.
12. On August 28, 2023, Texas Water Utilities supplemented the application with revised mapping.
13. In the application, as supplemented, the applicants seek approval of the following:
 - a. the sale and transfer to Texas Water Utilities all of Hornsby Bend's facilities and certificated service areas under CCN numbers 11978 and 20650;
 - b. the amendment of Texas Water Utilities' CCN numbers 12983 and 20899 to include the facilities and service areas previously included in Hornsby Bend's CCN numbers 11978 and 20650; and
 - c. the cancellation of Hornsby Bend's CCN numbers 11978 and 20650.

14. The total requested water service area is comprised of 5,629.4 acres and 3,340 current customers.
15. The requested water service area is located approximately eight miles east of downtown Austin, Texas, and is generally bounded on the north by Decker Lake Road; on the east by Caldwell Lane; on the south by the Colorado River; and on the west by Farm to Market Road 973.
16. The total requested sewer service area is comprised of approximately 14,442.1 acres and 3,767 current customers.
17. The requested sewer service area is comprised of two areas:
 - a. Requested sewer service area one is comprised of approximately 10,483.5 acres and 3,767 customer connections and is located approximately eight miles east of downtown Austin, Texas, and is generally bounded on the north by Braker Lane; on the east by Caldwell Lane; on the south by the Colorado River; and on the west by Farm-to-Market Road 973.
 - b. Requested sewer service area two is comprised of approximately 3,958.6 acres and zero customer connections and is located approximately one mile east of downtown Manor, Texas, and is generally bounded on the north by Littig Road; on the east by Hibbs Road; on the south by Blake Manor Road; and on the west by Farm to Market Road 973.
18. Texas Water Utilities requested to charge initial rates under Texas Water Code (TWC) § 13.3011.
19. In Order No. 3 filed on October 9, 2023, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.
20. On February 9, 2024, Texas Water Utilities withdrew its request for initial rates under TWC § 13.3011.

Notice

21. On November 9, 2023, Texas Water Utilities filed the affidavits of Brian D. Bahr, director of rates and regulatory affairs for Texas Water Utilities, attesting that notice was provided to:
 - a. all current customers, neighboring utilities, and affected parties on November 3, 2023; and
 - b. all owners of tracts of land of 25 acres or more that are wholly or partially located in the requested areas on November 3, 2023.
22. In Order No. 5 filed on November 21, 2023, the ALJ found notice sufficient.

Intervenor

23. In Order No. 6 filed on December 12, 2023, the ALJ granted the motion to intervene of the Office of Public Utility Counsel (OPUC).

Evidentiary Record

24. In Order No. 11 filed on April 19, 2024, the ALJ admitted the following evidence into the record:
 - a. the application of Hornsby Bend and Texas Water Utilities, including the confidential attachments, filed on July 31, 2023;
 - b. Texas Water Utilities' revised mapping filed on August 28, 2023;
 - c. Texas Water Utilities' response to Commission Staff's first request for information, including all attachments, filed on September 7, 2023;
 - d. Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on October 3, 2023;
 - e. Texas Water Utilities' proof of notice and confidential mailing list filed on November 9, 2023;
 - f. Commission Staff's recommendation on notice and proposed procedural schedule filed on November 20, 2023;
 - g. OPUC's motion to abate, filed on December 15, 2023;

- h. Commission Staff's final recommendation on the transaction, including the confidential attachment, filed on December 19, 2023;
 - i. Texas Water Utilities' withdrawal of request for initial rates filed on February 9, 2024;
 - j. the joint motion to unabate and proposed procedural schedule, filed on February 9, 2024;
 - k. Commission Staff's amended final recommendation on the transaction, including all attachments, filed on February 15, 2024;
 - l. Texas Water Utilities' response to Order No. 9, including all confidential portions, filed on March 4 and 5, 2024;
 - m. Texas Water Utilities' supplemental response to Order No. 9 filed on March 14, 2024; and
 - n. Commission Staff's recommendation on the capital improvement plan in response to Order No. 9 filed on March 22, 2024.
25. In Order No. 17 filed on December 12, 2024, the ALJ admitted the following evidence into the record:
- a. Texas Water Utilities and Hornsby Bend's proof of closing and confidential list of transferred customer deposits filed on July 18, 2024;
 - b. Commission Staff's recommendation on sufficiency of the closing documents filed on August 2, 2024;
 - c. Texas Water Utilities and Hornsby Bend's consent forms filed on September 13, 2024;
 - d. the final maps, certificates, and tariff pages attached to the joint supplemental motion to admit evidence filed on October 11, 2024;
 - e. Commission Staff's second amended final recommendation on the transaction, including all attachments, filed on October 11, 2024; and
 - f. agreed clarification in response to Order No. 16 filed on October 16, 2024.

Sale

26. In Order No. 13 filed on May 7, 2024, the ALJ approved the sale and transfer to proceed and required the applicants to file proof that the transaction had closed and that customer deposits had been addressed.
27. On July 18, 2024, Texas Water Utilities filed proof that the sale had closed on June 26, 2024, and customer deposits and accrued interest had been transferred from Hornsby Bend to Texas Water Utilities.
28. In Order No. 14 filed on August 5, 2024, the ALJ found the closing documentation sufficient.

Purchaser's Compliance History

29. Texas Water Utilities has been subject to enforcement actions by the TCEQ in the past five years for non-compliance with rules, orders, or state statutes.
30. Texas Water Utilities has resolved, or is in the process of resolving, the compliance issues related to the open TCEQ enforcement actions listed in the application.
31. The Commission's complaint records, which date back five years, show 618 complaints against Texas Water Utilities that includes 11 open complaints that are being addressed. The remaining complaints have been reviewed and closed by the Commission's Consumer Protection Division.
32. Texas Water Utilities does not have a history of continuing mismanagement or misuse of revenues as a utility provider.
33. Texas Water Utilities demonstrated a compliance history that is adequate for approval of the proposed transaction to proceed.

Adequacy of Existing Service

34. There are currently 3,340 water and 3,767 sewer customer connections in the requested areas that are being served by Hornsby Bend.
35. The last TCEQ compliance investigation of the Austin's Colony public water system was on March 8, 2023.

36. The last TCEQ compliance investigation of the Austin's Colony sewer system was on March 30, 2021.
37. Hornsby Bend has two pending violations listed in the TCEQ database for the Austin's Colony public water system and the Austin's Colony sewer system and is working with the TCEQ to resolve the violations.
38. The Commission's complaint records, which date back five years, show 36 complaints against Hornsby Bend. The complaints have been reviewed and closed by the Commission's Consumer Protection Division.
39. There is no evidence in the record that Hornsby Bend has failed to comply with any Commission or TCEQ order.
40. No capital improvements are necessary for Texas Water Utilities to continue providing continuous and adequate service to the requested areas.

Need for Additional Service

41. There are 3,340 existing water customers and 3,767 existing sewer customers in the requested areas that are receiving service from Hornsby Bend and have an ongoing need for service.
42. This is an application to transfer only existing facilities, customers, and service areas.
43. There is no evidence in the record indicating a need for additional service.

Effect of Approving the Transaction and Granting the Amendment

44. Texas Water Utilities will be the certificated entity for the requested areas and be required to provide continuous and adequate service to current and future customers in the requested areas.
45. There will be no adverse effect on landowners in the requested areas because the areas are currently certificated and served by Hornsby Bend.
46. All retail public utilities in the proximate areas were provided notice of the application and none filed a protest or motion to intervene.
47. There will be no effect on any retail public utility providing service in the proximate areas.

Ability to Serve: Managerial and Technical

48. Texas Water Utilities owns and operates numerous public water systems in Texas registered with the TCEQ and numerous sewer systems in Texas permitted with the TCEQ.
49. Texas Water Utilities employs or contracts with TCEQ-licensed operators who will be responsible for the operation of the public water system and sewer system being transferred.
50. Texas Water Utilities has the managerial and technical capability to provide continuous and adequate service to the requested areas.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

51. Hornsby Bend is currently serving customers in the requested areas.
52. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed; at a minimum, an interconnect would need to be installed to connect to a neighboring retail public utility.
53. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

54. It is not necessary for Texas Water Utilities to construct a physically separate public water system or sewer system to serve the requested areas.
55. Because the requested areas will not require construction of a physically separate public water system or sewer system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability and Stability

56. Texas Water Utilities' affiliate, SouthWest Water Company, is capable, available, and willing to cover temporary cash shortages and has a debt-service ratio of greater than 1.25. Therefore, Texas Water Utilities satisfies the leverage test.
57. SouthWest Water Company provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages during the first five years after the completion of the proposed transfer. Therefore, Texas Water Utilities satisfies the operations test.

58. Texas Water Utilities has demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate water and sewer service to the requested areas.

Financial Assurance

59. There is no need to require Texas Water Utilities to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

60. There will be no effect on environmental integrity or the land as a result of the transaction as the requested areas will continue to be served by existing facilities.

Improvement of Service or Lowering Costs to Consumers

61. Texas Water Utilities will continue to provide water and sewer service to Hornsby Bend's existing customers in the requested areas.

62. The current rates charged to existing customers will not change as a result of the proposed transaction because Texas Water Utilities will adopt the rates currently in effect in the tariffs for the acquired water system and sewer system upon final approval of the application.

Maps, Certificates, and Tariff Pages

63. On September 3, 2024, Commission Staff emailed the final proposed maps, certificates, and tariff pages to the applicants.

64. On September 13, 2024, Hornsby Bend and Texas Water Utilities filed their consent forms concurring with the final proposed maps, certificates, and tariff pages.

65. On October 11, 2024, the final maps, certificates, and tariff pages were filed as attachments to the joint supplemental motion to admit evidence filed by the parties.

Informal Disposition

66. More than 15 days have passed since the completion of notice provided in this docket.

67. No person filed a protest.

68. Hornsby Bend, Texas Water Utilities, Commission Staff, and OPUC are the only parties to this proceeding.

69. While OPUC initially requested a hearing, it later withdrew its request for a hearing, and the Commission ALJ determined that no hearing is needed.
70. Commission Staff recommended approval of the application.
71. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Texas Water Utilities and Hornsby Bend are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Notice of the application was provided in compliance with TWC §§ 13.246(a) and 13.301(a)(2) and 16 TAC § 24.239(b) and (e).
4. The application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.233 and 24.239.
5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission Rules.
6. Texas Water Utilities and Hornsby Bend complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Texas Water Utilities and Hornsby Bend completed the transfer within the time frame required by 16 TAC § 24.239(m).
8. After consideration of the factors in TWC § 13.246(c), Texas Water Utilities demonstrated that it is capable of rendering continuous and adequate service to every customer within the requested areas, as required by TWC § 13.251.

¹ Texas Gov't Code §§ 2001.001–.903.

9. Texas Water Utilities demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested areas as addressed in TWC §§ 13.241(a) and 13.301(b).
10. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water system or sewer system is not required.
11. It is not necessary for Texas Water Utilities to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
12. Texas Water Utilities and Hornsby Bend demonstrated that the sale and transfer of Hornsby Bend's water and sewer facilities and the transfer of the service area held under CCN numbers 11978 and 20650 to Texas Water Utilities will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public as required by TWC §§ 13.246(b) and 13.301(d) and (e).
13. Under TWC § 13.257(r) and (s), Texas Water Utilities must record a certified copy of its certificates and the approved maps, along with a boundary description of the service area in the real property records of Travis 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 all facilities, customers, and certificated water service area held by Hornsby Bend under CCN number 11978 to Texas Water Utilities to the extent provided in this Notice of Approval and as shown on the attached map.
2. The Commission approves the sale and transfer of all facilities, customers, and certificated sewer service area held by Hornsby Bend under CCN number 20650 to Texas Water

- Utilities, to the extent provided in this Notice of Approval and as shown on the attached map.
3. The Commission amends Texas Water Utilities' CCN numbers 12983 and 20899 to include the service areas previously held by Hornsby Bend under CCN numbers 11978 and 20650, as shown on the attached maps.
 4. The Commission cancels Hornsby Bend's CCN numbers 11978 and 20650.
 5. The Commission approves the maps and tariff pages attached to this Notice of Approval.
 6. The Commission issues the certificates attached to this Notice of Approval.
 7. Texas Water Utilities must provide service to every customer and qualified applicant for service within the approved area under CCN number 12983 that requests water service and meets the terms of Texas Water Utilities' water service policies, and such service must be continuous and adequate.
 8. Texas Water Utilities must provide service to every customer and qualified applicant for service within the approved area under CCN number 20899 that requests sewer service and meets the terms of Texas Water Utilities' sewer service policies, and such service must be continuous and adequate.
 9. Texas Water Utilities must comply with the recording requirements in TWC § 13.247(r) and (s) for the areas in Travis County affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice of Approval.
 10. Within ten days of the date this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of Texas Water Utilities' most current, comprehensive water and sewer tariffs, including the tariff pages approved by this Notice of Approval, to be stamped *Approved* and retained by Central Records.
 11. The Commission denies all other motions and any other requests for general or specific relief that are not expressly granted.

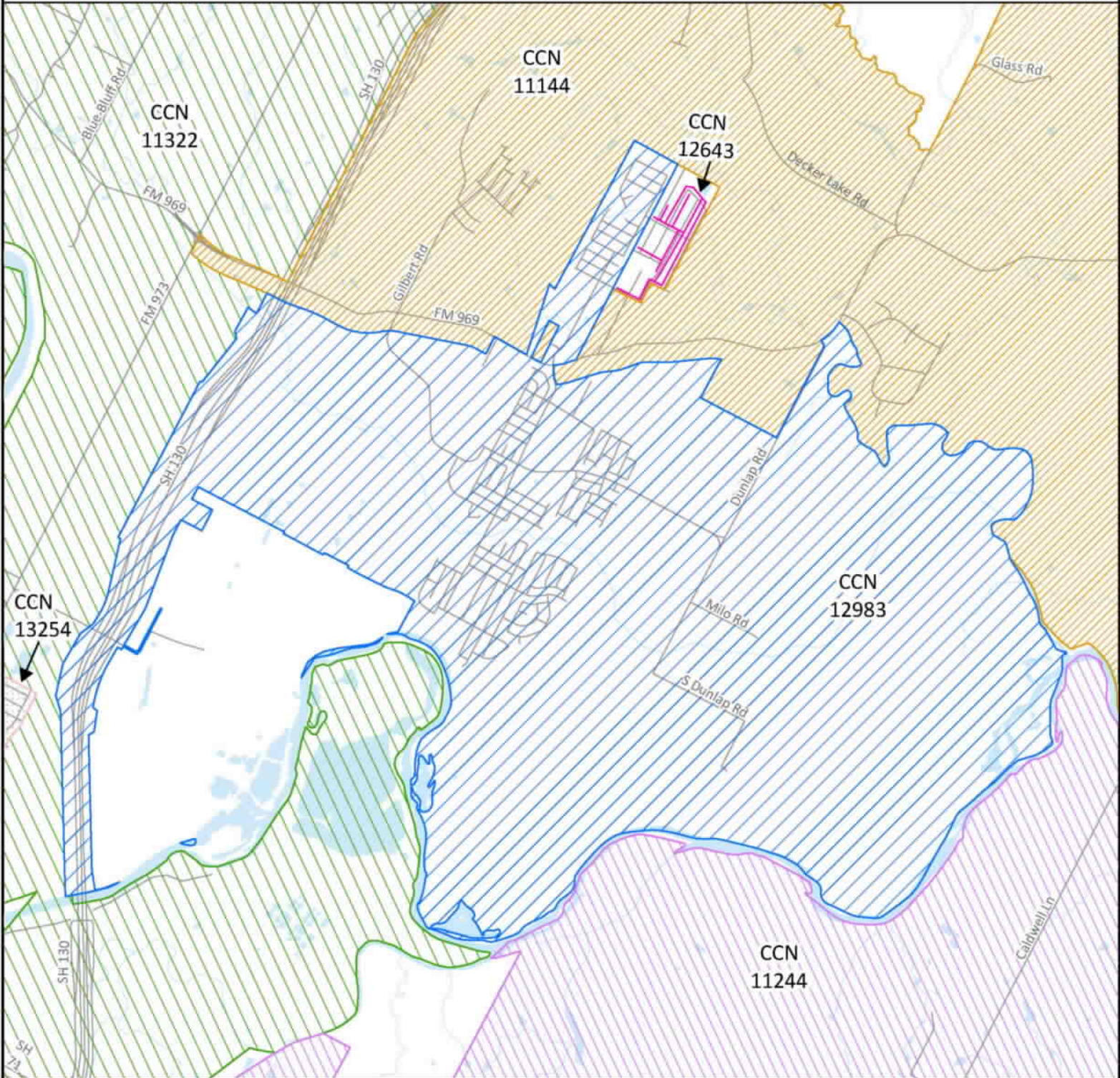
Signed at Austin, Texas on the 17th day of December 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, reading "Christina Denmark". The signature is written in a cursive style with a long horizontal flourish extending to the right.

CHRISTINA DENMARK
ADMINISTRATIVE LAW JUDGE

PUCT Docket No. 55304
 Texas Water Utilities, L.P.
 Portion of Water CCN No. 12983
 Transfer all of SWWC Utilities, Inc. dba Hornsby Bend Utility, CCN No. 11978 in Travis County



Water CCN

- 12983 - Texas Water Utilities LP
- 11322 - City of Austin
- 13254 - Aqua Texas Inc
- 11144 - Manville WSC
- 11244 - Garfield WSC

Water CCN Facility Only

- 12643 - Kennedy Ridge WSC

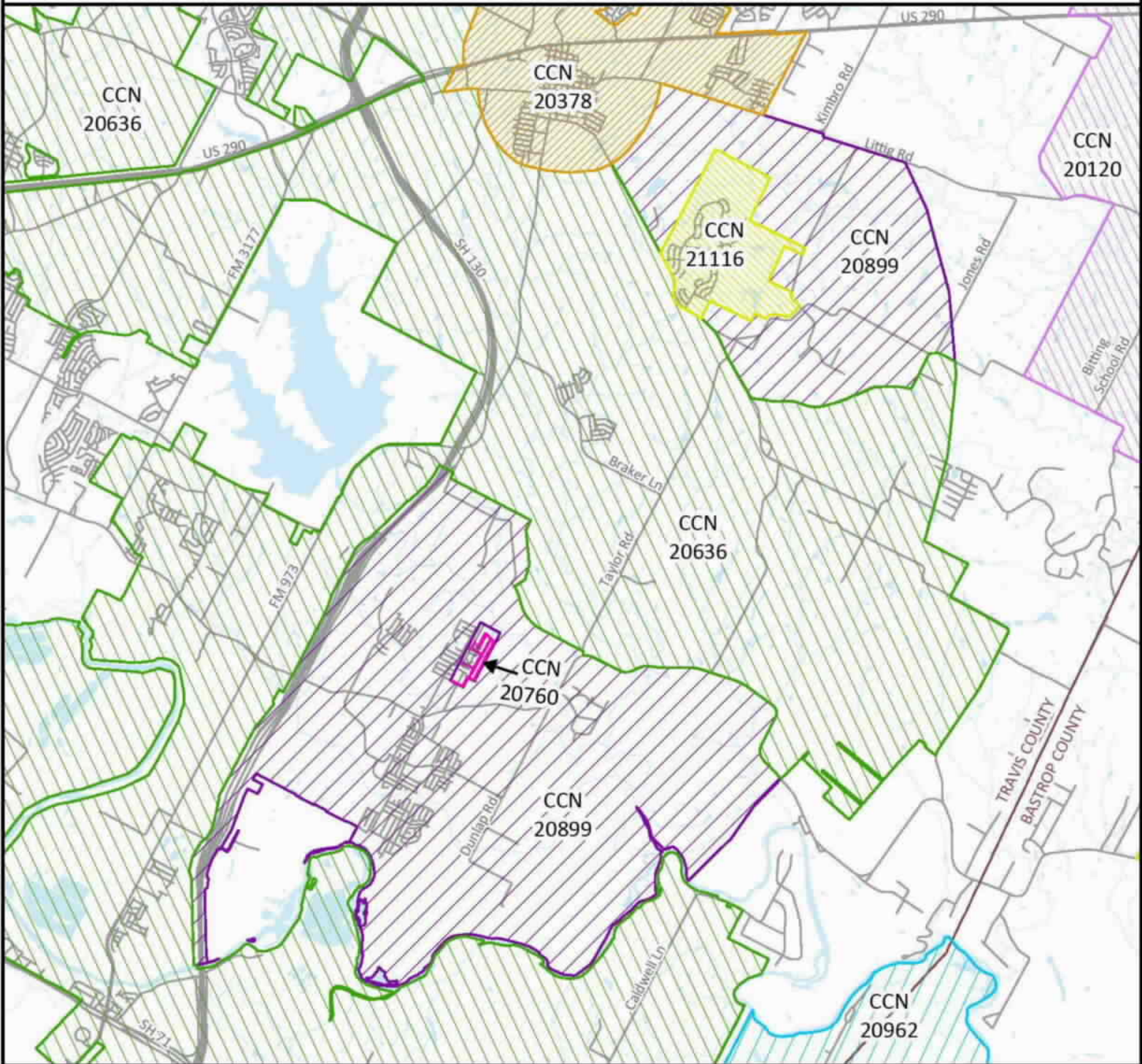
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Mapping Section
 Infrastructure Division
 Date: August 22, 2024
 Project: 55304Water.aprx



PUCT Docket No. 55304
 Texas Water Utilities, L.P.
 Portion of Sewer CCN No. 20899
 Transfer all of SWWC Utilities, Inc. dba Hornsby Bend Utility, CCN No. 20650 in Travis County

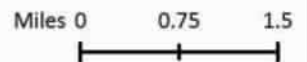


Sewer CCN

- 20899 - Texas Water Utilities LP
- 20636 - City of Austin
- 20378 - City of Manor
- 21116 - Aqua Texas Inc
- 20120 - City of Elgin
- 20962 - Aqua WSC

Water CCN Facility Only

- 20760 - Kennedy Ridge WSC





Public Utility Commission of Texas

By These Presents Be It Known To All That

Texas Water Utilities, L.P.

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, Texas Water Utilities, L.P. is entitled to this

Certificate of Convenience and Necessity No. 12983

to provide continuous and adequate water utility service to that service area or those service areas in Bandera, Bexar, Bosque, Brazoria, Chambers, Comal, Cooke, Denton, Freestone, Gillespie, Grayson, Guadalupe, Harris, Hays, Henderson, Hood, Johnson, Kendall, Kerr, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Travis, Trinity, Tyler, Van Zandt, Wise, Wood counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 55304 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 Texas Water Utilities, L.P. 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

Texas Water Utilities, L.P.

having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Texas Water Utilities, L.P. is entitled to this

Certificate of Convenience and Necessity No. 20899

to provide continuous and adequate sewer utility service to that service area or those service areas in Caldwell, Chambers, Grayson, Harris, Henderson, Kaufman, Liberty, Medina, Montgomery, Polk, San Jacinto, Travis, Trinity, Wood counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 55304 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 Texas Water Utilities, L.P. 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.



WATER UTILITY TARIFF

Docket Number: 55304

Texas Water Utilities, L.P.
(Utility Name)

12535 Reed Road
(Business Address)

Sugar Land, Texas 77478-2837
(City, State, Zip Code)

(866) 654-7992
(Area Code/Telephone)

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

12983

This tariff is effective in the following counties:

Bandera, Bexar, Bosque, Brazoria, Chambers, Comal, Cooke, Denton, Freestone, Gillespie, Grayson, Guadalupe, Harris, Hays, Henderson, Hood, Johnson, Kendall, Kerr, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Travis, Trinity, Tyler, Van Zandt, Wise, and Wood

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

This tariff is only effective in the portions of the subdivisions and public water systems in the environs, except for the cities of Aurora and Coffee City that have surrendered rate jurisdiction.

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

See attached list.

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

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APPENDIX A – DROUGHT CONTINGENCY PLAN

APPENDIX B – APPLICATION FOR SERVICE

APPENDIX C – AGREEMENT FOR TEMPORARY WATER SERVICE

County	TCEQ Water Systems	PWS ID Number	Subdivisions
Polk	Beacon Bay Marina and RV Park	1870016	Beacon Bay Marina and RV Park
	Chesswood Water System	1870088	Chesswood
	Country Wood Water System	1870138	Country Wood
	Garden Acres Subdivision Water System	1870160	Garden Acres
	Longhorn Valley	1870152	Longhorn Valley
	Oak Terrace Estates Water System	1870055	Oak Terrace Estates, Livingston Air Park
	Phillips Acres	1870146	Phillips Acres
	Pinwah Pines Estates	1870130	Pinwah Pines
San Jacinto	Blue Water Cove	2040059	Blue Water Cove, Livingston Lakeside RV Park
	Cedar Valley Subdivision	2040045	Cedar Valley
	Coldspring Terrace Water System	2040031	Coldspring Terrace
	Governors Point	2040008	Governors Point
	Holiday Villages of Livingston	2040067	Hidden Coves, Holiday Village of Livingston, Palmetto Point
	Shepherd Hill Estates	2040061	Shepherd Hills Estates, Shepherd Ranch Estates
Smith	Lakeway Harbor Subdivision	2120064	Lakeway Harbor
	Pine Trail Shores	2120035	Pine Trail Shores
Tarrant	Benbrook Hills	2200313	Benbrook Hills
	Markum Ranch Estates	2200281	Markum Ranch Estates
	Silver Saddle Acres	2200299	Silver Saddle Acres, W. 20 Business Park
	Westside Rural WSC	2200079	Gun Club, Cabot Estates, Willow Creek Additions, Westside Addition
Travis	Inverness Point Water System	2270102	Crosswind, Hidden Hills, Inverness Point, Lakehurst, The Summit at Lake Travis
	Austin's Colony	2270255	Austin's Colony, Forest Bluff, Tecolote Farms, Birch Addition, Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows, Plain View Estates, Betty Francis Addition, Rod Stewart Addition, Francis Subdivision, Decker Creek Estates, Hornsby Bend, The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
Trinity	Harbor Point	2280035	Harbor Point
Tyler	Ivanhoe Land of Lakes***	2290010	Ivanhoe Land of Lakes

SECTION 1.0 RATE SCHEDULE (Continued)

SYSTEM IMPROVEMENT CHARGE

Effective for all customers of all systems except Austins Colony, Athens Water System, CS Water, Ivanhoe Land of Lakes, Moody Water System, Creek Water Utility, Oak Village North, Woodland Oaks Subdivision, Windmill Ranch (portions within city jurisdiction), and Plum Creek (portions within city jurisdiction)

(Docket No. 55585)

METER SIZE	MONTHLY CHARGE PER CONNECTION
5/8"	\$14.62 per month
5/8"x3/4"	\$14.62 per month
3/4"	\$21.93 per month
1"	\$36.55 per month
1½"	\$73.10 per month
2"	\$116.96 per month
3"	\$219.30 per month
4"	\$365.50 per month
6"	\$731.00 per month
8"	\$1,169.60 per month
10"	\$1,681.30 per month
12"	\$3,143.30 per month

Docket No. 50944 Interim Rates Reconciliation (effective for 18 months beginning 03-01-2024)

Not applicable to customers of systems acquired after February 23, 2022.

(Docket No. 53061)

<u>METER SIZE</u>	<u>MONTHLY CHARGE/(CREDIT) per CONNECTION</u>
5/8"	(\$6.51)
5/8"x3/4"	(\$6.51)
3/4"	(\$9.77)
1"	(\$16.28)
1½"	(\$32.55)
2"	(\$52.08)
3"	(\$97.65)
4"	(\$162.75)
6"	(\$325.50)
8"	(\$520.80)
10"	(\$748.65)
12"	(\$1,399.65)

SECTION 1.0 RATE SCHEDULE

PURCHASED WATER AND OTHER PASS THROUGH RATES

All systems not otherwise specified	Passthrough Rate: \$2.34 per 1,000 gallons
Western Trails Subdivision, Shaded Lane Estates, Chisholm Hills Estates, Coyote Ridge Addition, Hills of Oliver Creek, Sage Brush Estates, Sky View Ranch Estates, Windmill Trail	Passthrough Rate: \$0.00 per 1,000 gallons
Bavarian Hills, Cascade Mobile Home Park, Coolcrest Water System, Country Springs Water Company, Garden Oaks, Oaks North Mobile Home Estates, Oak Village North, Stagecoach Hills	See Below
Cascade Mobile Home Park	See Below
Coolcrest Water System	See Below
Bavarian Hills, Country Springs Water Company, Oaks North Mobile Home Estates, Stagecoach Hills	See Below
Oak Village North	See Below
Enchanted River Estates, Oakview Water System, Rim Rock Ranch, River Bend, Windmill Ranch Subdivision	See Below
Rim Rock Ranch, Windmill Ranch Subdivision	See Below
Cedar Springs MHP, Center Point, Heritage Park Water System, Hills and Dales, Platten Creek Water System, Rocky Creek Subdivision Water System, Southern Hills, Verde Park Estates, Vista Hills, Woodhaven Mobile Home Park, Oak Ridge Estates Water System, Windwood Oaks Water System	See Below
Platten Creek Water System	See Below
Rocky Creek Subdivision Water System	See Below
Westwood Water System	See Below
Huntington Estates	See Below
Spring-Cypress Shopping Center, Target Center	See Below
Cedar Bayou Park	See Below
Cedar Bayou Park, Fairview Acres Subdivision, Glenwood Subdivision, Cedar Bayou Estates Homeowners Association Inc., Peterson Place Subdivision, Rollan Heights Subdivision	See Below
Aldine Village - PWS #1010931 Subdivision Only	See Below
Cypress Hill - PWS #1011792 Subdivision Only	See Below
Woodland Oaks Subdivision – PWS #1700648 Subdivisions Only	See Below
Austin's Colony - PWS #2270255 Subdivision Only	See Below
Inverness Point Water System, Dal-High, Oak Terrace Estates Water System, Beacon Bay Marina and RV Park, Orchard Crossing, McGee Place, Greenbriar Estates, Cedar Oaks Mobile Home Community, Homestead Oaks Mobile Home Community, Azalea Village, Cottonwood Park, Athens Water Systems Coop, Moody Water System, CS Water	No Passthrough Rate Currently Approved

SECTION 1.0 RATE SCHEDULE (Continued)

Passthrough for Huntington Estates

Barton Springs Edwards Aquifer.....\$2.0569 per month

$G = T/C$

$T = ((R \times P) + F)/12$

Where:

G = pass-through charge, rounded to the nearest one cent

T = monthly charge to utility

C = number of customers at the beginning of the billing period for which the pass-through rate takes effect

R = gallonage charge (per 1,000 gallons)

P = permitted gallonage (in thousands of gallons)

F = annual permit fee

The pass-through charges must be trued up every twelve months, with a maximum line loss of 0.15.

Passthrough for Spring-Cypress Shopping Center and Target Center

North Harris County Regional Water Authority Pumpage Fees.....\$4.60 per 1,000 gallons
(*Tariff Control No. 54051*)

Passthrough for Cedar Bayou Park

Baytown Water Authority purchase water fee increase.....\$3.25 per 1,000 gallons
(*Tariff Control No. 54051*)

Epcor 130 Project Pass-Through Fee.....\$0.10 per 1,000 gallons
(*Tariff Control No. 55719*)

Austin’s Colony, Forest Bluff, Tecolote Farms, Birch Addition,
 Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows,
 Plain View Estates, Betty Francis Addition, Rod Stewart Addition,
 Francis Subdivision, Decker Creek Estates, Hornsbv Bend,
 The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
(Formerly SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.)

SECTION 1.0 – RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonage Charge</u>
5/8”	<u>\$47.03</u>	<u>\$7.18</u> per 1,000 gallons
3/4”	<u>\$70.55</u>	
1”	<u>\$117.58</u>	
1½”	<u>\$235.15</u>	
2”	<u>\$376.24</u>	
3”	<u>\$705.45</u>	
4”	<u>\$1,175.75</u>	
6”	<u>\$2,351.50</u>	
8”	<u>\$3,762.40</u>	
10”	<u>\$5,408.45</u>	
12”	<u>\$11,757.50</u>	

Federal Tax Change Credit Rider – Effective March 1, 2023
 (Tariff Control No. 50055)

<u>Meter Size</u>	<u>Monthly Credit</u>
5/8”	<u>(\$1.07)</u>
3/4”	<u>(\$1.61)</u>
1”	<u>(\$2.68)</u>
1½”	<u>(\$5.35)</u>
2”	<u>(\$8.56)</u>
3”	<u>(\$16.05)</u>
4”	<u>(\$26.75)</u>
6”	<u>(\$53.50)</u>
8”	<u>(\$85.60)</u>
10”	<u>(\$123.05)</u>
12”	<u>(\$267.50)</u>

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

Cash X, Check X, Money Order X, MasterCard X, Visa X, Electronic Fund Transfer X
 AT THE CUSTOMER’S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON
 THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

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

Austin’s Colony, Forest Bluff, Tecolote Farms, Birch Addition,
 Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows,
 Plain View Estates, Betty Francis Addition, Rod Stewart Addition,
 Francis Subdivision, Decker Creek Estates, Hornsbv Bend,
 The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
(Formerly SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.)

SECTION 1.0 RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$700.00
 TAP FEE IS BASED ON UTILITY’S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8” METER PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE.

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

LARGE METER TAP FEE.....Actual Cost
 TAP FEE IS BASED ON THE UTILITY’S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8” METERS.

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 (Maximum \$25.00)..... \$25.00
 b) Customer’s request... .. \$50.00
 or other reasons listed under Section 2.0 of this tariff

SERVICE INITIATION FEE..... \$45.00
 THE SERVICE INITIATION FEE WILL BE CHARGED FOR INITATING AN ACCOUNT AT THE SERVICE LOCATION.

LATE CHARGE.....10%
 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 (Maximum \$50)..... \$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT..... 1/6THE ESTIMATED 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.

METER RELOCATION FEE..... Actual Relocation Cost
 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.

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.

Austin’s Colony, Forest Bluff, Tecolote Farms, Birch Addition,
 Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows,
 Plain View Estates, Betty Francis Addition, Rod Stewart Addition,
 Francis Subdivision, Decker Creek Estates, Hornsbv Bend,
 The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
(Formerly SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.)

SECTION 1.0 RATE SCHEDULE (Continued)

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS AND 3.20 SPECIFIC UTILITY EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

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 WHO REQUIRE SUPPLEMENTAL SERVICE OVER AND ABOVE THEIR EXISTING WATER SERVICE FROM TIME TO TIME. USAGE IS TO BE DETERMINED BY CUSTOMER. THE MINIMUM DIAMETER FOR SUPPLEMENTAL SERVICE METER SHALL BE 2 INCHES.

MONTHLY SUPPLEMENTAL SERVICE RATE.....\$13.43
 PER INCH DIAMETER OF SERVICE CONNECTION METER

METER TAMPERING, DAMAGE, OR DIVERSION FEE.....\$100.00
 ONE TIME PENALTY PER OCCURRENCE FOR TAMPERING WITH OR DAMAGING A WATER METER, OR ANY APPURTENANCE THERETO, INCLUDING LOCKS AND METER BOXES OR SERVICE DIVERSION OF ONE HUNDRED DOLLARS (\$100.00).

TEMPORARY WATER RATE: Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(pr)(cgc)(r)}{(1.0-r)}$$

Where:

- TGC = temporary gallonage charge
- cgc = current gallonage charge
- r = water use reduction expressed as a decimal fraction (the pumping restriction)
- pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff prr shall equal 0.5.

Austin's Colony, Forest Bluff, Tecolote Farms, Birch Addition,
 Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows,
 Plain View Estates, Betty Francis Addition, Rod Stewart Addition,
 Francis Subdivision, Decker Creek Estates, Hornsby Bend,
 The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
(Formerly SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.)

SECTION 1.0 RATE SCHEDULE (Continued)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE – ALL WATER SUBJECT TO FEE:

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:

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

Where:

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

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE – PORTION OF WATER SUBJECT TO FEE:

Upon notice from a water supplier of either an increase or a decrease in the cost of purchased water, the utility shall provide notice to customers and the Commission of its intent to implement rates 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:

$$\text{Adjustment to the gallonage rate: } AG = (CP/GB) \times 1,000$$

$$\text{Adjustment to the minimum bill: } AMB = GMB \times AG$$

Where:

- CP: CP1 - CPO = Change in cost of purchased water
- CP1: Cost of purchased water during the most recent 12 month period at the new rates;
- CPO: Cost of purchased water during the most recent 12 month period at the previous rates;
- GMB: Number of gallons in the minimum bill, divided by 1,000; and
- GB: Number of gallons billed to customers in excess of the amount included in the monthly minimum bill for the 12 Month period used above.

With each annual adjustment to the Purchased Water and/or District Fee Pass-Through, the utility must file a true-up report that shows the pass-through calculation for the next 12 months in the notice. The report shall contain up to five years of data, as available, and show the annual and accumulated differences between the adjusted gallonage charge (AG) and/or the adjustment to the minimum bill (AMB) amounts collected from customers and the amounts actually paid to the entities whose charges are included in the pass-through provision and any other information requested by Commission Staff during the review.



WASTEWATER UTILITY TARIFF
Docket Number: 55304

Texas Water Utilities, L.P.
(Utility Name)

12535 Reed Rd.
(Business Address)

Sugar Land, TX 77478-2837
(City, State, Zip Code)

(866) 654-7992
(Area Code/Telephone)

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

20899

This tariff is effective in the following counties:

Caldwell, Chambers, Grayson, Harris, Henderson, Kaufman, Liberty, Medina, Montgomery, Polk, San Jacinto, Travis, Trinity, and Wood

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

This tariff is only effective in the portions of the subdivisions or systems in the environs.

This tariff is effective in the following subdivisions or systems:

See Attached List

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 3.2	--	SPECIFIC EXTENSION POLICY	37

COUNTY	UTILITY SYSTEM	TCEQ WQ NO.	SUBDIVISIONS
Montgomery	Decker Hills	WQ 12587-001	Champions Glen, Decker Hills, Hidden Lake Estates, Inverness Crossing
Montgomery	William Trails Wastewater Treatment Facility	WQ 16267-001	Williams Trail
	Woodland Oaks WWTP	WQ 0014-166001	Woodland Oaks, Durango Creek, Forest Crossing, Forest West, Ridgewood, Cimmaron Creek
Polk	Beacon Bay Marina Wastewater Treatment Facility	WQ 13637-001	Beacon Bay Marina and RV Park, Beacon Bay Subdivision
San Jacinto	Blue Water Cove	WQ 14179-001	Blue Water Cove, Livingston Lakeside RV Park
	Holiday Villages of Lake Livingston	WQ 14056-001	Holiday Villages of Livingston, Somerset Shores
Travis	Austins Colony	WQ 13138-001	Austin's Colony, Forest Bluff, Tecolote Farms, Birch Addition, Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows, Plain View Estates, Betty Francis Addition, Rod Stewart Addition, Francis Subdivision, Decker Creek Estates, Hornsby Bend, The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
Trinity	Harbor Point	WQ 13547-001	Harbor Point
Wood	Lake Fork Estates	WQ 14055-001	Holiday Villages of Fork

SECTION 1.0 RATES

Section 1.01 - Rates**Texas Water Utilities - RATES Effective 06-01-2021**

METER SIZE	MONTHLY MINIMUM RATE	GALLONAGE CHARGE
5/8"	\$68.52	\$2.39 per 1,000 gallons Purchased Wastewater Treatment Passthrough \$4.27 per 1,000 gallons <i>(Tariff Control No. 56066)</i>
5/8"x3/4"	\$68.52	
3/4"	\$102.78	
1"	\$171.30	
1½"	\$342.60	
2"	\$548.16	
3"	\$1,027.80	
4"	\$1,713.00	
6"	\$3,426.00	
8"	\$5,481.60	
10"	\$7,879.80	
12"	\$14,731.80	

SYSTEM IMPROVEMENT CHARGE

Effective for all systems except Austins Colony, WQ 13138-001
(Docket No. 55585)

METER SIZE	MONTHLY CHARGE PER CONNECTION
5/8"	\$12.93 per month
5/8"x3/4"	\$12.93 per month
3/4"	\$19.40 per month
1"	\$32.33 per month
1½"	\$64.65 per month
2"	\$103.44 per month
3"	\$193.95 per month
4"	\$323.25 per month
6"	\$646.50 per month
8"	\$1,034.40 per month
10"	\$1,486.95 per month
12"	\$2,779.95 per month

Austin's Colony, Forest Bluff, Tecolote Farms, Birch Addition, Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows, Plain View Estates, Betty Francis Addition, Rod Stewart Addition, Francis Subdivision, Decker Creek Estates, Hornsby Bend, The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
(Formerly SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.)

SECTION 1.0 RATES

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonage Charge</u>
5/8"	<u>\$45.42</u>	<u>\$7.20</u> per 1,000 gallons
3/4"	<u>\$68.13</u>	
1"	<u>\$113.55</u>	
1½"	<u>\$227.10</u>	
2"	<u>\$363.36</u>	
3"	<u>\$681.30</u>	
4"	<u>\$1,135.50</u>	
6"	<u>\$2,271.00</u>	
8"	<u>\$3,633.60</u>	
10"	<u>\$5,223.30</u>	
12"	<u>\$11,355.00</u>	

Residential sewer service will be billed year round using that service connection's average winter water consumption during December, January and February. Single family residential service connections without a winter historic average will have an imputed average of 5,000 gallons until they have established an average. Multi-family residential service connections without a historic winter average will have an imputed average of 5,000 gallons per residential unit until they have established an average.

Non-residential service connections will be billed on actual monthly water consumption without the use of winter averaging.

Federal Tax Change Credit Rider – Effective March 1, 2023

(Tariff Control No. 50055)

<u>Meter Size</u>	<u>Monthly Credit</u>
5/8"	<u>(\$5.73)</u>
3/4"	<u>(\$8.60)</u>
1"	<u>(\$14.33)</u>
1½"	<u>(\$28.65)</u>
2"	<u>(\$45.84)</u>
3"	<u>(\$85.95)</u>
4"	<u>(\$143.25)</u>
6"	<u>(\$286.50)</u>
8"	<u>(\$458.40)</u>
10"	<u>(\$658.95)</u>
12"	<u>(\$1,432.50)</u>

Austin's Colony, Forest Bluff, Tecolote Farms, Birch Addition, Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows, Plain View Estates, Betty Francis Addition, Rod Stewart Addition, Francis Subdivision, Decker Creek Estates, Hornsby Bend, The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane (Formerly SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.)

SECTION 1.0 RATES (Continued)

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

Cash X, Check X, Money Order X, MasterCard X, Visa X, Electronic Fund Transfer X AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

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

Section 1.02 - Miscellaneous Fees

TAP FEE (Gravity sewer, street or easement installation) \$700.00 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 (Pressure sewer, non-rock installation) \$1,525.00 TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COSTS FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

TAP FEE (Pressure sewer, non-rock installation) \$3,776.00.00 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

ACCOUNT SET UP FEE \$25.00 FEE TO SET UP ACCOUNT FOR NEW CUSTOMER APPLYING FOR SEWER SERVICE ONLY.

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 (Maximum \$25.00) \$25.00
b) Customer's request \$25.00
or other reasons listed under Section 2.0 of this tariff

SERVICE INITIATION FEE \$45.00 THE SERVICE INITIATION FEE WILL BE CHARGED FOR INITIATING AN ACCOUNT AT THE SERVICE LOCATION.

LATE CHARGE 10% 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 (Maximum \$50) \$50.00

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT 1/6TH ESTIMATED ANNUAL BILL

Austin's Colony, Forest Bluff, Tecolote Farms, Birch Addition, Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows, Plain View Estates, Betty Francis Addition, Rod Stewart Addition, Francis Subdivision, Decker Creek Estates, Hornsby Bend, The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
(Formerly SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.)

SECTION 1.0 RATES (Continued)

SEASONAL RECONNECTION FEE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS AND 3.2 SPECIFIC UTILITY EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

INCREASE 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.

DAMAGE OR SERVICE DIVERSION FEE \$100.00
ONE TIME PENALTY FOR TAMPERING WITH OR DAMAGING A SEWER SERVICE CONNECTION, OR ANY APPURTENANCE THERETO, INCLUDING PUMPS OR SERVICE DIVERSION.

Austin's Colony, Forest Bluff, Tecolote Farms, Birch Addition, Bountiful Harvest, Mission of Santa Barbara, Twin Creek Meadows, Plain View Estates, Betty Francis Addition, Rod Stewart Addition, Francis Subdivision, Decker Creek Estates, Hornsby Bend, The Tommy Reaux Subdivision, Trinity Hill, Chaparral Crossing, Gilbert Lane
(Formerly SWWC Utilities, Inc. dba Hornsby Bend Utility Company, Inc.)

SECTION 1.0 RATES (Continued)

FRANCHISE FEE PASS THROUGH CLAUSE: Charges a municipality makes for use of streets and alleys pursuant to Texas Tax Code § 182.025 or other applicable state law shall be passed through as an adjustment to the sewer gallonage charge according to the following formula:

$$AG=G+B$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent:
- G = approved gallonage charge (per 1,000 gallons) and
- B = projected franchise fees payable (per 1,000 gallons).

PURCHASED SEWER PASS THROUGH CLAUSE: Changes in fees imposed by any non-affiliated third party wholesale sewer service provider shall be passed through as an adjustment to the sewer gallonage charge according to the following formula:

$$AG = G+B$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent:
- G = approved gallonage charge (per 1,000 gallons) and
- B = change in purchased sewer service gallonage charge (per 1,000 gallons).

FEDERAL TAX CHANGE CREDIT RIDER (FTCCR):

The Federal Tax Change Credit Rider gives effect to the Tax Cuts and Jobs Act of 2017, which changed the federal corporate tax rate from 35% to 21%, by reducing the cost of service paid by customers taking service under this rate tariff. The FTCCR will provide credits to customers taking service under this rate tariff