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DOCKET NO. 55414

APPLICATION OF CSWR-TEXAS UTILITY OPERATING COMPANY, LLC AND VINEYARD RIDGE WATER SUPPLY, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN GILLESPIE COUNTY	§ § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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NOTICE OF APPROVAL

This Notice of Approval addresses the application of CSWR-Texas Utility Operating Company, LLC and Vineyard Ridge Water Supply, LLC for approval of the sale, transfer, or merger of facilities and certificate rights in Gillespie County. The Commission approves the following: (1) the sale and transfer to CSWR-Texas of all facilities and service area held by Vineyard Ridge under certificate of convenience and necessity (CCN) number 13265; (2) the amendment of CSWR-Texas's CCN number 13290 to include all facilities and service area previously held by Vineyard Ridge under CCN number 13265; and (3) the cancellation of Vineyard Ridge's CCN number 13265.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Vineyard Ridge is a Texas limited liability company registered with the Texas secretary of state under file number 802658376.
2. Vineyard Ridge operates, maintains, and controls facilities for providing retail water service in its certificated area in Gillespie County under CCN number 13265.
3. Vineyard Ridge owns a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Vineyard Ridge Water Supply, under identification number 0860144.
4. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 803367893.

5. CSWR-Texas operates, maintains, and controls facilities for providing retail water service for compensation in multiple counties, under CCN number 13290, including Gillespie County.
6. CSWR-Texas owns and operates several public water systems registered with the TCEQ.

Application

7. On August 29, 2023, the applicants filed the application at issue in this proceeding.
8. CSWR-Texas supplemented the application on September 13, 2023, and February 26 and 29, March 27, April 5, and July 26, 2024.
9. In the application, as supplemented, the applicants seek approval of the following:
 - a. the sale and transfer to CSWR-Texas of all facilities and service area held by Vineyard Ridge under CCN number 13265;
 - b. the amendment of CSWR-Texas's CCN number 13290 to include the facilities and service area previously held by Vineyard Ridge under CCN number 13265; and
 - c. the cancellation of Vineyard Ridge's CCN number 13265.
10. The requested area includes 660.7 acres and 76 current customer connections.
11. The requested area is located 12.7 miles northwest of downtown Johnson City, Texas, and is generally bounded on the north by North Grape Creek Road, on the east by North Grape Creek Road, on the south by Ranch to Market Road 2721, and on the west by Klein Ahrens Road.
12. In Order No. 2 filed on October 2, 2023, the administrative law judge (ALJ) found the application administratively complete.

Notice

13. On October 27, 2023, CSWR-Texas filed the following:
 - a. the affidavit of Eric Rocchio, regulatory case manager of CSWR-Texas, attesting that notice was provided via first-class mail to all current customers of Vineyard Ridge, neighboring utilities, and affected parties on October 20, 2023; and

- b. the affidavit of Mr. Rocchio attesting that notice was provided on October 23, 2023 via first-class mail to landowners owning tracts of land over 25 acres located wholly or partly inside the requested area.
14. In Order No. 4 filed on November 14, 2023, the ALJ found the notice sufficient.

Intervention

15. In Order No. 3 filed on October 27, 2023, the ALJ granted the motion to intervene filed by Kim and Anthony Sarao.

Evidentiary Record

16. In Order No. 8 filed on April 15, 2024, the ALJ admitted the following evidence into the record:
 - a. The application, including confidential attachments, filed on August 29, 2023;
 - b. CSWR-Texas's first supplement to the application filed on September 13, 2023;
 - c. Commission Staff's recommendation on administrative completeness filed on September 28, 2023;
 - d. Kim and Anthony Sarao's motion to intervene filed on October 18, 2023;
 - e. CSWR-Texas's proof of notice, including confidential exhibit B, filed on October 27, 2023;
 - f. CSWR-Texas's proof of notice to landowners, provided as exhibit C to the proof of notice documents and confidential exhibit D, filed on October 27, 2023;
 - g. Commission Staff's recommendation on sufficiency of notice filed on November 13, 2023;
 - h. Commission Staff's recommendation on the transaction, including confidential attachment FB-1, filed on January 5, 2024.
 - i. CSWR-Texas's status update filed on February 26, 2024;
 - j. CSWR-Texas's pleading and attached affidavit of Mike Duncan filed on February 29, 2024;
 - k. Commission Staff's response to Order No. 7 filed on April 5, 2024; and

1. CSWR-Texas's submission of capital improvement plan filed on April 5, 2024.
17. In Order No. 15 filed on September 19, 2024 the ALJ admitted the following additional evidence into the record:
 - a. CSWR-Texas's notice of completed transaction filed on June 3, 2024;
 - b. Commission Staff's recommendation on closing documents and proposed procedural schedule filed on June 18, 2024;
 - c. CSWR-Texas's third supplement to application with tariff filed on July 26, 2024;
 - d. CSWR-Texas's and Vineyard Ridge's consent forms filed on August 6, 2024; and
 - e. the final maps, tariff pages, and certificate, attached to the joint supplemental motion to admit evidence and joint proposed notice of approval, filed on August 27, 2024.

Sale

18. In Order No. 10 filed on April 15, 2024, the ALJ approved the sale and transfer to proceed and required the applicants to file proof that the transaction had closed and that the customer deposits, if any, had been addressed.
19. On June 3, 2024, the applicants filed notice that the transaction was closed effective May 22, 2024, and confirmed that there were no outstanding customer deposits.
20. In Order No. 11 filed on June 20, 2024, the ALJ found the closing documentation sufficient.

Purchaser's Compliance History

21. CSWR-Texas has not been under enforcement action by the Commission, Texas Health and Human Services, the Office of the Texas Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes. CSWR-Texas has been under enforcement action by the TCEQ.
22. The Commission's complaint records, which date back to 2017, show several complaints against CSWR-Texas.
23. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.

24. CSWR-Texas has demonstrated a compliance history that is adequate for approval of this transaction.

Adequacy of Existing Service

25. There are currently 76 customer connections in the requested area that are being served by Vineyard Ridge's public water system number 0860144.
26. The last TCEQ investigation of Vineyard Ridge was on November 30, 2022.
27. Vineyard Ridge does not have any unresolved violations listed in the TCEQ database.
28. The Commission's complaint records, which date back to 2017, show no complaints against Vineyard Ridge.
29. Capital improvements are necessary for CSWR-Texas to provide continuous and adequate service to the requested area.
30. There is no evidence in the record that Vineyard Ridge has failed to comply with any Commission or TCEQ order.

Need for Additional Service

31. There are 76 customer connections that are receiving service from Vineyard Ridge that have an ongoing need for service.
32. This is an application to transfer only existing facilities, customers, and service area.
33. There is no evidence of specific requests for additional service within the requested area.

Effect of Approving the Transaction and Granting the Amendment

34. CSWR-Texas will be the sole certificated water utility for the requested area.
35. CSWR-Texas will be required to provide continuous and adequate water service to current and future customers in the requested area.
36. All retail public utilities in the proximate area were provided notice of the transaction and none filed protests, adverse comments, or sought to intervene in this proceeding.
37. Landowners in the requested area will be able to obtain water service from CSWR-Texas.
38. There is no evidence that approval of the transaction will have any adverse effect on any other retail public utility servicing the proximate area.

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

Ability to Serve: Managerial and Technical

40. CSWR-Texas owns and operates numerous public water systems and sewer systems registered with the TCEQ.

41. CSWR-Texas employs or contracts with TCEQ-licensed water operators who will operate the public water system being transferred.

42. CSWR-Texas stated that it intends to make upgrades, renovations, and repairs necessary to ensure that Vineyard Ridge's public water system remains in compliance with TCEQ regulations and that customers receive safe and reliable service.

43. CSWR-Texas has the technical and managerial capability to provide adequate and continuous service to the requested area.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

44. Vineyard Ridge is currently serving customers and has sufficient capacity.

45. 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 in order to connect to a neighboring retail public utility.

46. It is not economically feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

47. It will not be necessary for CSWR-Texas to construct a physically separate water system to serve the requested area.

48. Because the requested area will not require construction of a physically separate public water system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Capability and Stability

49. CSWR, LLC, the immediate parent company of CSWR-Texas, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio that is less than one, satisfying the leverage test.

50. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages, demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the transaction, and possesses the cash and leverage ability to pay for capital improvements and necessary equity investments, satisfying the operations test.
51. The cost of CSWR-Texas's proposed improvements to the water system being transferred does not exceed \$100,000.
52. CSWR-Texas filed a capital improvement plan that included a budget and estimated timeline for construction of all facilities necessary to provide service to the requested area, keyed to a map showing where such facilities will be located.
53. CSWR-Texas provided audited financial statements demonstrating adequate cash funding of the purchase price and planned system improvements for the Vineyard Ridge system alongside all of CSWR-Texas's other purchased systems and planned system improvements, thus providing a firm capital commitment.
54. CSWR-Texas demonstrated the financial and managerial ability and stability to provide continuous and adequate service to the requested area.

Financial Assurance

55. There is no need to require CSWR-Texas to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

56. The requested area will continue to be served with existing infrastructure.
57. The environmental integrity and effect on the land will be temporary as CSWR-Texas's planned upgrades, renovations, and repairs are completed.

Improvement of Service or Lowering Cost to Consumers

58. CSWR-Texas will continue to provide water service to Vineyard Ridge's existing customers in the requested area.
59. The rates charged to customers in the requested area will not change as a result of the proposed transaction, because CSWR-Texas will adopt Vineyard Ridge's current tariff upon approval of the transaction.

60. Reliability and quality of water service are expected to improve under CSWR-Texas's management.

Map, Tariff Pages, and Certificate

61. On July 23, 2024, Commission Staff emailed Vineyard Ridge the proposed final map.

62. On July 23 and 26, 2024, Commission Staff emailed CSWR-Texas the proposed final map, tariff pages, and certificate.

63. On August 6, 2024, CSWR-Texas filed the following:

a. CSWR-Texas's consent form concurring with the proposed final map, relevant tariff pages, and certificate; and

b. Vineyard Ridge's consent form concurring with the proposed final map.

64. The proposed final map, relevant tariff pages, and certificate were included as attachments to the joint supplemental motion to admit evidence and proposed notice of approval filed on August 27, 2024.

Informal Disposition

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

66. No person filed a protest.

67. CSWR-Texas, Vineyard Ridge, Kim and Anthony Sarao, and Commission Staff are the only parties to this proceeding.

68. No party requested a hearing, and no hearing is needed.

69. Commission Staff recommended approval of the application, as supplemented.

70. This decision is not adverse to any party.

I. Conclusions of Law

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.

2. Vineyard Ridge and CSWR-Texas are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission Rules.
4. The application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. Notice of the application was provided in compliance with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC §§ 24.235 and 24.239.
6. Vineyard Ridge and CSWR-Texas have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Vineyard Ridge and CSWR-Texas completed the sale within the time frame required by 16 TAC § 24.239(m).
8. After consideration of the factors in TWC § 13.246(c), CSWR-Texas demonstrated that it is capable of rendering continuous and adequate service to every customer in the requested area, as required by TWC § 13.251.
9. CSWR-Texas demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area, as required by TWC §§ 13.241(a) and 13.301(b).
10. It is not necessary for CSWR-Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
11. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding, because construction of a physically separate water system is not required.
12. CSWR-Texas and Vineyard Ridge demonstrated that the sale and transfer of Vineyard Ridge's facilities and service area held under CCN number 13265 to CSWR-Texas will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public under TWC §§ 13.246(b) and 13.301(d) and (e).

¹ Tex. Gov't Code §§ 2001.001-903.

13. Under TWC § 13.257(r) and (s), CSWR-Texas and Vineyard Ridge must record a certified copy of the map and certificate approved by this Notice of Approval, along with a boundary description of the service area, in the real property records of Gillespie 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.

II. Ordering Paragraphs

In accordance with the preceding findings of fact and conclusions of law, the Commission issues the following orders.

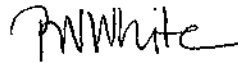
1. The Commission approves the sale and transfer of facilities and service area held by Vineyard Ridge water under CCN number 13265 to CSWR-Texas, to the extent provided in this Notice of Approval and as shown on the attached maps.
2. The Commission cancels Vineyard Ridge's CCN number 13265.
3. The Commission amends CSWR-Texas's CCN number 13290 to include the facilities and service area previously included in Vineyard Ridge's CCN number 13265.
4. The Commission approves the map and tariff pages attached to this Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. CSWR-Texas must provide service to every customer or applicant for service within the approved area under water CCN number 13290 that requests service and meets the terms of CSWR-Texas's water service policies, and such service must be continuous and adequate.
7. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Gillespie County affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of the Notice of Approval.
8. Within ten days of the date of this Notice of Approval, Commission Staff must provide the Commission with a clean copy of CSWR-Texas's most current comprehensive tariff,

including the tariff pages approved by this Notice of Approval, to be stamped *Approved* and retained by Central Records.

9. The Commission denies all other motions and any other requests for general or specific relief that are not expressly granted.

Signed at Austin, Texas on the 19th day of September 2024.

PUBLIC UTILITY COMMISSION OF TEXAS



REBECCA NASH WHITE

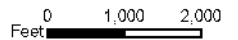
ADMINISTRATIVE LAW JUDGE

PUCT Docket No. 55414
CSWR-Texas Utility Operating Services, Inc.
Portion of Water CCN No. 13290
Transfer all of Vineyard Ridge Water Supply, LLC, CCN No. 13265 in Gillespie County



Water CCN

 13290 - CSWR-Texas Utility Operating Services Inc





Public Utility Commission of Texas

By These Presents Be It Known To All That

CSWR-Texas Utility Operating Company, LLC

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, CSWR-Texas Utility Operating Company, LLC is entitled to this

Certificate of Convenience and Necessity No. 13290

to provide continuous and adequate water utility service to that service area or those service areas in Angelina, Aransas, Austin, Brazoria, Burleson, Burnet, Calhoun, Camp, Dallas, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Uvalde, Victoria, Wilson, Wise, and Wood counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 55414 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 CSWR-Texas Utility Operating Company, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



WATER UTILITY TARIFF
Docket Number: 55414

CSWR – Texas Utility Operating Company, LLC
(Utility Name)

1630 Des Peres Rd Suite 140
(Business Address)

St. Louis, MO 63131
(City, State, Zip Code)

(314) 380-8595
(Area Code/Telephone)

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

13290

This tariff is effective in the following counties:

Angelina, Aransas, Austin, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Montague, Montgomery, Navarro, Orange, Parker, Polk, Robertson, Sabine, San Augustine, Victoria, Wilson, and Wood

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

City of Red Oak

Rates for the Red Oak Community Water Service subdivision (PWS #0700056), which is located within the City of Red Oak, are not included in this tariff and should be obtained from the City of Red Oak. (Docket No. 43175)

City of Granbury, City of Lubbock, and City of Rockport

The rates set or approved by a city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

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

See 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):

SECTION 1.0 -- RATE SCHEDULE 2
SECTION 2.0 -- SERVICE RULES AND REGULATIONS 3
SECTION 3.0 -- EXTENSION POLICY 10

APPENDIX A -- DROUGHT CONTINGENCY PLAN
APPENDIX B -- SERVICE AGREEMENT

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Aero Valley Water Service	0610243	Denton	2
Amberwood Subdivision	1011920	Harris	2
Aransas Bay	0040018	Aransas	2
Arrowhead Water System	2470025	Wilson	2
Big Wood Springs Subdivision	2500019	Wood	2
Bois D' Arc	0040018	Aransas	2
Chaparral	0860010	Gillespie	2
Coletto Water Company	2350036	Victoria	2
Copano Cove Subdivision	0040003	Aransas	2
Copano Heights Unit 1 & 2, Water System	0040017	Aransas	2
Copano Ridge Subdivision	0040029	Aransas	2
Council Creek Village	0270014	Burnet	2
Country Squire Water & Sewer	1810060	Orange	2
Crystal Land Water System	1330153	Kerr	2
El Pinon Estates Water System	2030013	San Augustine	2
Emerald Forest	0700058	Ellis	2
Flag Creek Ranch	1500112	Llano	2
Forest Oak Unit 1 and 2	0940085	Guadalupe	2
Franklin Water Systems 1	1520224	Lubbock	2
Franklin Water Systems 3	1520080	Lubbock	2
Goose Island State Park	0040018	Aransas	2
Grande Casa Ranchitos	0700063	Ellis	2
Hickory Hill Water	2470018	Victoria	2
Hillside Estates Water System	0080049	Austin	2
Hilltop Home Addition	1840034	Parker	2
Hilltop Estates	1840034	Parker	2
Homestead @ Turtle Creek	1330153	Kerr	2
Indian Cove	0040018	Aransas	2
Laguna Tres	1110019	Hood	2

Laguna Vista	1110095	Hood	2
Lake Limestone Coves	1980020	Limestone & Robertson	2
Lakeview Ranchettes Estates	0700057	Ellis	2
La Playa Subdivision Water System	2030015	San Augustine	2
Live Oak Hills	1540012	McCulloch	2
Longford Place Water System	1810015	Orange	2
Meadowview Estates	0080051	Austin	2
Meadowview Estates II	0080059	Austin	2
Neptune Harbor	0040018	Aransas	2
North Victoria Utilities	2350049	Victoria	2
Oak Hill Ranch Estates, Oak Hill Ranchettes	0940085	Guadalupe	2
Oak Hollow Estates, Oak Hollow Park	2470019	Wilson	2
Palmetto Park Estates	0040018	Aransas	2
Pelican Isle Water System	1750036	Navarro	2
Quiet Village II Subdivision, Quiet Village II	1080221	Hidalgo	2
Settlers Crossing Water System	0080058	Austin	2
Settlers Crossing Water System 2	0080060	Austin	2
Settlers Estates Sec II	0080056	Austin	2
Settlers Meadows Water System	0080055	Austin	2
Shady Oaks Subdivision	2350036	Victoria	2
Shady Oaks Water Company	2470017	Wilson	2
Spanish Grant	0700064	Ellis	2
South Council Creek 1	0270079	Burnet	2
South Council Creek 2	0270080	Burnet	2
South Silver Creek I, II, III	0270041	Burnet	2
Tall Pines Utility	1010220	Harris	2
Texas Landing Utilities Deerwood	1700798	Montgomery	2
Texas Landing Utilities Goode City	1700744	Montgomery	2
Texas Landing Utilities	1870151	Polk	2
Thousand Oaks	0720054	Erath	2
Timberlane Water	2020054	Sabine	2

Treetops Phase 1	1840134	Parker	2
Tri County Point Water System 2	1200027	Jackson	2
Tri County Point Water System 3	1200028	Jackson	2
Tri County Point Water System 4	1200029	Calhoun & Jackson	2
Vineyard Ridge Subdivision	0860144	Gillespie	XX
Vista Verde Water Systems	1700694	Montgomery	2
Walnut Bend Water Supply	0030037	Angelina	2
WaterCo	1690028	Montague	2
The Woodlands Water System	1050139	Hays	2
Woodland Harbor	0320014	Camp	2
Woodlands West	0260043	Burleson	2

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge (Includes 0 gallons)	Gallonage Charge
5/8"	\$55.00	\$4.14 per 1000 gallons
3/4"	\$82.70	
1"	\$137.50	
1 1/2"	\$275.00	
2"	\$440.00	
3"	\$825.00	
4"	\$1375.00	

*Rate Case Expense Fee \$7.00 per connection per month
To be collected until the full \$7,500.00 rate case expense is recovered (*Tariff Control No. 52877*)

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

Cash Check Money Order Credit Card Other (specify)
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

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

TAP FEE \$1,500.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED

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

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.

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

RECONNECTION FEE

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

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

TRANSFER FEE..... \$30.00

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%

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

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 1.03 Purchased Water and Sewer Adjustment Clause

For Utilities subject to changes imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the following formulae or at the following rates: