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DOCKET NO. 54899

**APPLICATION OF CSWR-TEXAS § PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY, §
LLC AND CIRCLE R RANCHETTES § OF TEXAS
PROPERTY OWNERS ASSOCIATION §
FOR SALE, TRANSFER, OR MERGER §
OF FACILITIES AND CERTIFICATE §
RIGHTS IN TARRANT COUNTY §**

NOTICE OF APPROVAL

This Notice of Approval addresses the application of CSWR-Texas Utility Operating Company, LLC, and Circle R Ranchettes Property Owners Association, aka Circle R Ranchettes Recreation and Community Corporation, for approval of the sale, transfer, or merger of facilities and certificate rights in Tarrant County. The Commission approves the following: (1) the sale and transfer of facilities and certificated service area held under Circle R Ranchettes' certificate of convenience and necessity (CCN) number 12298 to CSWR-Texas; (2) the cancellation of Circle R Ranchettes' CCN number 12298; and (3) and the amendment of CSWR-Texas's CCN number 13290 to include the facilities and service area previously included in Circle R Ranchettes' CCN number 12298, to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 803367893.
2. CSWR-Texas holds CCN number 13290 which obligates it to provide retail water service in multiple counties.
3. CSWR-Texas owns and operates multiple public water systems registered with the Texas Commission on Environmental Quality (TCEQ).
4. Circle R Ranchettes is a domestic nonprofit corporation registered with the Texas secretary of state under file number 28305101.

5. Circle R Ranchettes holds CCN number 12298 which obligates it to provide retail water service in its certificated service area in Tarrant County.
6. Circle R Ranchettes owns a public water system registered with the TCEQ under the name Circle R Ranchettes, public water system number 2200148.

Application

7. On April 18, 2023, the applicants filed the application at issue in this proceeding.
8. CSWR-Texas filed an amendment to the application on April 28, 2023, and supplemented the application on June 7 and 14, and July 20, 2023.
9. In the application, as amended and supplemented, the applicants seek approval of the following:
 - a. the sale and transfer of all of Circle R Ranchettes' facilities and certificated service area under CCN number 12298 to CSWR-Texas;
 - b. the cancellation of Circle R Ranchettes' CCN number 12298; and
 - c. the amendment of CSWR-Texas's CCN number 13290 to include the facilities and service area previously included in Circle R Ranchettes' CCN number 12298.
10. The requested area comprises approximately 28.2 acres, made up of two parcels; 27.6 acres to be transferred from the Circle R Ranchettes, with 48 current customer connections, and 0.6 of an acre that will be dually certificated with the Bethesda Water Supply Corporation under CCN number 10089, with no current customer connections.
11. The requested area is located approximately 5.2 miles northwest of downtown Mansfield, Texas and is generally bounded on the north by Sandy Lane; on the east by Teague Road; on the south by Rendon Bloodworth Road; and on the west by Rendon New Hope Road.
12. In Order No. 4 filed on July 12, 2023, the administrative law judge (ALJ) found the application administratively complete.

Notice

13. On July 26, 2023, CSWR-Texas filed the affidavit of Aaron Silas, director of regulatory operations for CSWR-Texas, attesting that notice was provided to all current customers of

Circle R Ranchettes, neighboring utilities, and affected parties on July 21, 2023, and a second affidavit by Mr. Silas indicating there are no landowners owning tracts of land over 25 acres wholly or partly inside the requested CCN area.

14. In Order No. 6 filed on August 29, 2023, the ALJ found the notice sufficient.

Evidentiary Record

15. In Order No. 7 filed on November 14, 2023, the ALJ admitted the following evidence into the record:

- a. The application including all attachments filed on April 18, 2023;
- b. CSWR-Texas's amendment to the application filed on April 28, 2023;
- c. CSWR-Texas's first supplement to the application filed on June 7, 2023;
- d. CSWR-Texas's second supplement to the application filed on June 14, 2023;
- e. Commission Staff's recommendation on administrative completeness and notice and proposed procedural schedule filed on July 6, 2023;
- f. CSWR-Texas's third supplement, request for good cause exception, and highly sensitive exhibits filed on July 20, 2023;
- g. CSWR-Texas's proof of notice filed on July 26, 2023;
- h. Commission Staff's recommendation on sufficiency of notice and good cause exception filed on August 25, 2023; and
- i. Commission Staff's final recommendation on approval of the sale filed on September 19, 2023.

16. In Order No. 12 filed on March 4, 2024, the ALJ admitted the following additional evidence into the record:

- a. The applicants' bill of sale and assignment filed on December 7, 2023;
- b. Commission Staff's recommendation on the sufficiency of closing documents filed on December 21, 2023;
- c. CSWR-Texas's executed consent form filed on January 30, 2024;

- d. Circle R Ranchettes' executed consent form filed on February 6, 2024;
- e. The final map, certificate and tariff attached to the joint supplemental motion to admit evidence and proposed notice of approval filed on February 13, 2024; and
- f. The affidavit of Mike Duncan filed on March 1, 2024.

Sale

- 17. In Order No. 8 filed on November 20, 2023, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had closed and that customer deposits, if any, had been addressed.
- 18. On December 7, 2023, CSWR-Texas filed notice that the sale had closed on December 5, 2023, and confirmed that there were no outstanding customer deposits that needed to be addressed.
- 19. In Order No. 9 filed on December 27, 2023, the ALJ found the closing documents sufficient.

Purchaser's Compliance History

- 20. The Commission's complaint records, which date back five years, show 12 complaints against CSWR-Texas.
- 21. CSWR-Texas does not have any active violations in the TCEQ database.
- 22. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
- 23. CSWR-Texas demonstrated a compliance history that is adequate for approval of the transaction to proceed.

Adequacy of Existing Service

- 24. There are 48 connections in the requested area that are being served by Circle R Ranchettes through public water system number 2200148.
- 25. The last TCEQ compliance investigation of Circle R Ranchettes was on July 13, 2022. Circle R Ranchettes has unresolved violations listed in the TCEQ database.
- 26. Capital improvements are necessary for CSWR-Texas to provide continuous and adequate service to the requested area.

27. There is no evidence in the record that Circle R Ranchettes has failed to comply with any Commission or TCEQ order.

Need for Additional Service

28. There is a continuing need for service because Circle R Ranchettes is currently serving 48 connections in the requested area.
29. This is an application to transfer only existing facilities, customers, and service area.
30. There is no evidence of specific requests for additional service within the requested area.

Effect of Approving the Transaction and Granting the Amendment

31. CSWR-Texas will be the sole certificated water utility for 27.2 acres of the requested area and one of two certificated providers for the remaining 0.6 of an acre of the requested area.
32. CSWR-Texas will be required to provide continuous and adequate water service to current and future customers in the requested area.
33. All retail public utilities in the proximate area were provided notice of the application, and no protests or adverse comments were filed.
34. There will be no effect on any other retail public utility providing service in the proximate area.
35. There will be no effect on landowners as the area is currently certificated.

Ability to Serve: Managerial and Technical

36. CSWR-Texas owns and operates numerous TCEQ-registered public water systems in Texas.
37. CSWR-Texas employs or contracts with TCEQ-licensed water operators who will be responsible for the operation of the public water system being transferred.
38. CSWR-Texas has the technical, financial, and managerial capability to provide adequate and continuous service to the requested area.

Ability to Serve: Financial Ability and Stability

39. 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 of less than one, satisfying the leverage test.

40. 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 year 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.
41. CSWR-Texas is proposing capital improvements to Circle R Ranchettes' public water system that exceed \$100,000.
42. CSWR-Texas requested a good-cause exception to the requirement that it provide loan documentation for the amount it will need to make capital improvements to the system because CSWR-Texas does not obtain loans or purchasing for repairing systems. Additionally, CSWR-Texas states that it is already required to maintain a sufficient cash balance to purchase Circle R Ranchettes' water system and make capital improvements.
43. CSWR-Texas submitted documents demonstrating funds are available for the purchase of Circle R Ranchettes' water system and the purchase of other systems and for the construction of capital improvements necessary for CSWR-Texas to provide continuous and adequate service to existing customers for each system.
44. CSWR-Texas filed a capital improvements plan that included a budget and an estimated timeline for construction of all facilities necessary to provide service to the requested areas, keyed to a map showing where such facilities will be located.
45. CSWR-Texas demonstrated the financial and managerial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

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

Feasibility of Obtaining Service From Adjacent Retail Public Utility

47. Circle R Ranchettes is currently providing water service to customers serving customers throughout its certificated portion of the requested area and such service has been continuous.

48. 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.
49. It is not feasible to obtain service from an adjacent retail public utility.

Environmental Integrity and Effect on the Land

50. The 27.6-acre portion of requested area will continue to be served with existing infrastructure.
51. There will be minimal effects on environmental integrity and on the land as a result of CSWR-Texas' planned upgrades, renovations, and repairs to the public water system.

Improvement in Service or Lowering Cost to Consumers

52. Reliability and quality of water service is expected to improve under CSWR-Texas's management.
53. CSWR-Texas will adopt Circle R Ranchettes' current rates upon consummation of the transaction.

Regionalization or Consolidation

54. CSWR-Texas will not need to construct a physically separate water system to continue serving the requested area.
55. Because the requested area will not require construction of a physically separate water system, consideration of regionalization or consolidation with another retail public utility is not required.

Map, Certificate, and Tariff Pages

56. On January 22, 2024, Commission Staff emailed to the applicants the final proposed map, certificate, and tariff pages related to this docket.
57. On January 30, 2024 and February 6, 2024, the applicants filed their consent forms concurring with the proposed final map, certificate, and tariff pages.
58. The final map, certificate, and tariff pages, were included as attachments to the joint supplemental motion to admit evidence, filed on February 13, 2024.

Informal Disposition

59. More than 15 days have passed since the completion of notice provided in this docket.
60. CSWR-Texas, Circle R Ranchettes, and Commission Staff are the only parties to this proceeding.
61. No person filed a protest or motion to intervene.
62. No party requested a hearing and no hearing is needed.
63. Commission Staff recommended approval of the application.
64. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Circle R Ranchettes 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. CSWR-Texas and Circle R Ranchettes provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC §§ 24.235 and 24.239.
6. Circle R Ranchettes and CSWR-Texas have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Circle R Ranchettes and CSWR-Texas completed the sale within the time required by 16 TAC § 24.239(m).

¹ Tex. Gov't Code §§ 2001.001-.903.

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. Consistent with the Commission's determinations in Docket No. 54393,² there is good cause under 16 TAC § 24.2(b) to allow CSWR-Texas to demonstrate compliance with 16 TAC § 24.11(e)(5)(A) by submitting documents indicating it has funds immediately available for the purchase of the water system being transferred plus the capital improvements necessary to provide continuous and adequate service to existing customers.
10. 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).
11. It is not necessary for CSWR-Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
12. CSWR-Texas provided a capital improvements plan under TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6).
13. 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.
14. CSWR-Texas and Circle R Ranchettes demonstrated that the sale of Circle R Ranchettes' water facilities and the transfer of the water service area held under CCN number 12298 to CSWR-Texas under CCN number 13290 will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public under TWC §§13.301(d) and (e).
15. Under TWC § 13.257(r) and (s), CSWR-Texas must record a certified copy of its approved map and certificate, along with a boundary description of its service area, in the real property records of Tarrant County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording.

² *Application of CSWR-Texas Utility Operating Company, LLC and Intermediary Solutions Holding LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Lubbock County*, Docket No. 54393, Order (Sept. 14, 2023).

16. 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 facilities, customers, and service area held under Circle R Ranchettes' CCN number 12298, to CSWR-Texas's CCN number 13290, to the extent provided in this Notice of Approval and as shown on the attached map.
2. The Commission cancels Circle R Ranchettes' CCN number 12298.
3. The Commission amends CSWR-Texas's CCN number 13290 to include the facilities, customers, and service area previously included in Circle R Ranchettes' CCN number 12298 as shown on the attached map.
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. Under 16 TAC § 24.2(b), the Commission grants CSWR-Texas a good-cause exception to the requirements of 16 TAC § 24.11(e)(5)(A).
7. CSWR-Texas must provide service to every customer or applicant for service within the approved area under 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.
8. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Tarrant County affected by the application and must submit to the Commission evidence of the recording no later than 31 days after receipt of the Notice of Approval.
9. Within ten days of the date this Notice of Approval is filed, Commission Staff must provide the Commission with a clean copy of the most current comprehensive tariff, including the tariff pages approved by this Notice of Approval, to be stamped *Approved* and retained by Central Records.

10. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 7th day of March 2024.

PUBLIC UTILITY COMMISSION OF TEXAS



JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE

PUCT Docket No. 54899
CSWR-Texas Utility Operating Company, LLC
Portion of Water CCN No. 13290
Transfer all of Circle R Ranchettes POA, CCN No. 12298, and
Obtain Dual Certification with a portion of Bethesda WSC, CCN No. 10089 and CCN No. 13290 in
Tarrant County



Water CCN

-  13290 - CSWR-Texas Utility Operating Company LLC
-  10089 - Bethesda WSC





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, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Victoria, Wilson, and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54899 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: 54899

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, Medina, Montague, Montgomery, Navarro, Orange, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Victoria, Wilson, and Wood

The following is a list of cities where CSWR-Texas Utility Operating Company, LLC provides service:

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

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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):

SECTION 1.0 -- RATE SCHEDULE.....	2
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SECTION 3.0 -- EXTENSION POLICY	XX
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 Water System Gillespie	0860010	Gillespie	2
Circle R Ranchettes*	2200148	Tarrant	XX
Coleto 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

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
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 Estates*	1013045	Harris	3
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
South Council Creek 1	0270079	Burnet	2
South Council Creek 2	0270080	Burnet	2
South Silver Creek I, II, III	0270041	Burnet	2
Spanish Grant	0700064	Ellis	2
Tall Pines Utility	1010220	Harris	2
Texas Landing Utilities Deerwood	1700798	Montgomery	2

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
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	Jackson	2
Ville d'Alsace Water Supply*	1630037	Medina	4
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

* Denotes systems with separate rate schedules. The rate schedules designated as “applicable to all water service areas reflected on list of subdivisions and systems unless otherwise specified” do not apply to these systems.

Circle R Ranchettes
(Utility Name)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$15.00</u>	<u>\$1.00</u> per 1,000 gallons from 4,000 gallons to 10,000 gallons <u>\$5.00</u> per 1,000 gallons over 10,000 gallons

FORM OF PAYMENT: The utility will accept the following forms of payment:
 Cash , Check , Money Order , Credit Card , Other (specify) _____
 THE UTILITY SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL 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 THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$450.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

METER TEST FEE (actual cost of testing the meter up to) \$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST SHALL 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 SHALL 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) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$0.00

TRANSFER FEE \$0.00
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE \$2.00 OR 5%
 PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

Circle R Ranchettes

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE \$5.00

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

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