

City of Houston, Texas, Ordinance No. 2004-633

AN ORDINANCE RELATING TO THE RETAIL WATER AND SEWER RATES OF CHAMPS WATER COMPANY, INC. WITHIN THE CITY OF HOUSTON, TEXAS; APPROVING A SETTLEMENT AGREEMENT RELATING TO AN INCREASE IN THE RATES OF CHAMPS WATER COMPANY, INC.; MAKING FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, on April 22, 2004, Champs Water Company, Inc. ("Champs"), filed a Rate/Tariff Change Application ("New Rates") with the City of Houston ("City"); and

WHEREAS, the City commenced a rate case (the "2004 Champs Rate Case") to address the issues in the New Rates on an informal basis as allowed by the applicable provisions of the Texas Water Code and Texas Administrative Code ("Water Code and Rules"); and

WHEREAS, the City retained consultants who worked with City staff to analyze the New Rates for the purpose of implementing just and reasonable rates as permitted by applicable law; and

WHEREAS, on May 12 and 13, 2004, the City provided an opportunity for public comment on the subject of the New Rates as well as customer service concerns ("May Rate Hearings"); and

WHEREAS, the City wishes to resolve the controversies raised by the New Rates in accordance with the provisions of the Stipulation and Agreement Regarding 2004 Rate/Tariff Change Application of Champs Water Company, Inc. Within the City of

Houston, Texas (the "Settlement") attached hereto as Exhibit "A"; and

WHEREAS, the public interest will be served by the adoption of an ordinance approving the Settlement because the Settlement provides for just and reasonable rates to be observed and in force within the City and promotes the adequate and efficient provision of service; and

WHEREAS, the public interest will be served by resolution on a stipulated basis of all matters set forth in the Settlement because the rates provided for in the Settlement are just, reasonable, non-discriminatory and in compliance with all applicable law; and

WHEREAS, the public interest will be served by resolution on a stipulated basis of all matters set forth in the Settlement because the Settlement will conserve resources and avoid the uncertainties and expense inherent in litigation regarding the New Rates;

NOW, THEREFORE;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the facts contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City Council hereby approves and authorizes the Stipulation and Agreement Regarding 2004 Rate/Tariff Change Application of Champs Water Company, Inc. Within the City of Houston, Texas (the "Settlement") attached hereto and incorporated herein as Exhibit "A". All terms and conditions specified and agreed to by the City and Champs in the Settlement are hereby incorporated by reference as though set forth verbatim herein and are hereby approved and ratified. The Settlement agreed to by

the City and Champs relating to the rates, operations and services of Champs is hereby approved and ordered implemented effective for bills rendered on and after June 22, 2004. The Mayor, or in the absence of the Mayor, the Mayor Pro Tem, is hereby authorized to execute all related documents on behalf of the City, and to take all necessary actions to effectuate the City's intent and objectives in approving the Settlement. The City Secretary, or in the absence of the City Secretary, the Assistant City Secretary, is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under the Settlement without further authorization from the City Council.

Section 3. It is hereby ordered that prior to June 22, 2004, Champs shall file tariffs reflecting the New Rates adopted herein with the City Secretary and submit a copy of the tariffs to the Director of the Finance and Administration Department of the City. The rates currently in effect as of April 22, 2004 shall remain in effect for all bills rendered through June 21, 2004.

Section 4. All prior Ordinances of the City inconsistent with the terms and conditions hereof are hereby repealed to the extent of the inconsistency and are of no further effect.

Section 5. If any provision, section, subsection, sentence, clause or phrase of this ordinance, or the application of same to any person or set of circumstances is for any reason held to be invalid, the validity of the remaining portions of this ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being

the intent of the City Council in adopting this ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 6. The City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof have been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof. As of the intervention deadline set for this matter, the City Secretary received no petitions for intervention.

Section 7. There exists a public emergency requiring that this ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on that date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 16th day of June, 2004.

APPROVED this ____ day of _____, 2004.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is JUN 22 2004


City Secretary

Prepared by Legal Dept. M.T. Burtow ^{DA}
MTP June 10, 2004 Senior Assistant City Attorney JH
Requested by Judy Gray Johnson, Director, Finance and Administration Department
L.D. File No. 0340200308002

AYE	NO	2004-633
✓		MAYOR WHITE
....	COUNCIL MEMBERS
✓		LAWRENCE
✓		GALLOWAY
✓		GOLDBERG
✓		EDWARDS
✓		WISEMAN
✓		KHAN
✓		HOLM
✓		GARCIA
✓		ALVARADO
✓		ELLIS
✓		QUAN
✓		SEKULA-GIBBS
✓		GREEN
✓		BERRY
CAPTION	ADOPTED	

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NOT PUBLISHED IN DAILY COURT
REVIEW DATE: JUN 22 2004

**2004 Champs-City of Houston
Retail Water/Sewer Rate Case Settlement
Signature Page**

IN WITNESS WHEREOF, this Settlement has been executed, approved, and agreed to by the Signatories hereto in multiple counterparts, each of which shall be deemed an original, on the date indicated below by the Signatories hereto, by and through their undersigned duly authorized representatives. This Settlement shall be effective and binding, as to each Signatory, as of the Date of Execution.

Champs Water Company, Inc.

By: Mark H. Zepp
Title: Attorney for Champs Water Co.
Date: June 11, 2004

City of Houston

By: _____
Mayor
Date: _____

Attest:

By: _____
City Secretary

Approved:

By: _____
City Attorney

2004 CHAMPS WATER COMPANY-CITY OF HOUSTON RETAIL WATER AND SEWER RATE CASE

RATE/TARIFF CHANGE APPLICATION OF CHAMPS WATER COMPANY, INC.	§	BEFORE THE CITY OF HOUSTON, TEXAS
	§	
WITHIN THE	§	AS
	§	
CITY OF HOUSTON, TEXAS	§	REGULATORY AUTHORITY

STIPULATION AND AGREEMENT REGARDING 2004 RATE/TARIFF CHANGE APPLICATION OF CHAMPS WATER COMPANY, INC. WITHIN THE CITY OF HOUSTON, TEXAS

This Stipulation And Agreement Regarding 2004 Rate/Tariff Change Application Of Champs Water Company, Inc. Within The City Of Houston, Texas, is made and entered into by and between Champs Water Company, Inc., ("Champs") and the City of Houston, Texas (the "City"), as parties to the 2004 Champs-City of Houston Retail Water and Sewer Rate Case (the "2004 Champs Rate Case"). Champs and the City are hereinafter sometimes referred to jointly as the "Signatories".

WHEREAS, on April 22, 2004, Champs filed a Rate/Tariff Change Application (the "New Rates") with the City as regulatory authority; and

WHEREAS, Champs provided adequate notice of the filing of the New Rates as reflected on **Exhibit A** to all affected customers pursuant to the applicable provisions of the Texas Water Code and Texas Administrative Code (the "Water Code and Rules"); and

WHEREAS, the City commenced the 2004 Champs Rate Case to address the issues in the New Rates on an informal basis as allowed by the applicable provisions of the Water Code and Rules; and

WHEREAS, consistent with all applicable provisions of the Water Code and Rules, the City conducted public hearings, after giving timely published notice thereof, on May 12 and 13, 2004 ("May hearings") to receive public comment on the New Rates and customer service issues; and

WHEREAS, pursuant to published notice for the May Hearings, the deadline for intervention in the 2004 Champs Rate Case was 5:00 p.m. on May 12, 2004; and

WHEREAS, as of the intervention deadline the City Secretary received no petitions for intervention in the 2004 Champs Rate Case; and



WHEREAS, except as otherwise specified herein, the Signatories desire to resolve all issues in the 2004 Champs Rate Case through compromise and settlement pursuant to the Settlement; and

WHEREAS, the public interest will be served by the adoption of an ordinance approving the Settlement because it provides expeditious implementation of just and reasonable rates; promotes the adequate and efficient provision of service; and is in accordance with applicable law; and

WHEREAS, resolution on a stipulated basis of all the matters set forth herein will conserve resources, avoid the uncertainties inherent in further litigation and minimize rate case expenses both in this proceeding and in the future;

NOW THEREFORE, the Signatories, through their undersigned representatives, stipulate, agree to and recommend for approval by the City Council of the City of Houston, Texas, as a means of resolving the issues in the 2004 Champs Rate Case, the following provisions of this Settlement:

ARTICLE I.
Definitions

A. City Council. The term "City Council" means the governing body of the City of Houston, Texas, as currently constituted or as it may hereafter be constituted.

B. Date of Execution. The term "Date of Execution" means the last date on which the Settlement is signed by a Signatory but no later than June 21, 2004.

C. Champs. "Champs" refers to Champs Water Company, Inc. and its successors in interest hereto.

D. Settlement. The term "Settlement" refers to this Stipulation and Agreement, including all Exhibits hereto.

E. Settlement Rates. The term "Settlement Rates" means the Champs Retail Water and Sewer rates for customers taking retail water or sewer service within the City of Houston, Texas, as set forth in the Settlement, including the Exhibits to the Settlement.

ARTICLE II.
Retail Base Rates – Water

A. Residential Customers. Effective with bills rendered on or after June 22, 2004, customers taking Residential Service within the City shall be charged the rates contained on **Exhibit B.**

B. Light Commercial Customers. Effective with bills rendered on or after June 22, 2004, customers taking Light Commercial Service within the City shall be charged the rates contained on **Exhibit C.**

C. Large Commercial and Industrial Customers. Effective with bills rendered on or after June 22, 2004, customers taking Large Commercial or Industrial Service within the City shall be charged the rates contained on **Exhibit D.**

ARTICLE III.
Retail Base Rates – Sewer

A. Residential Customers. Effective with bills rendered on or after June 22, 2004, customers taking Residential Service within the City shall be charged the rates contained on **Exhibit E.**

B. Light Commercial Customers. Effective with bills rendered on or after June 22, 2004, customers taking Light Commercial Service within the City shall be charged the rates contained on **Exhibit F.**

C. Large Commercial and Industrial Customers. Effective with bills rendered on or after June 22, 2004, customers taking Large Commercial or Industrial Service within the City shall be charged the rates contained on **Exhibit G.**

ARTICLE IV.
Miscellaneous Provisions

A. Miscellaneous Service Charges. Effective with services rendered on or after June 22, 2004, Champs shall adjust its Rate Schedule – Miscellaneous to conform to **Exhibit H.** The Signatories agree that the costs reflected on **Exhibit H** will be recovered only from those customers directly responsible for the costs incurred and specifically not as a component of customer base rates. Champs is allowed to assess and collect a Conservation Gallonage surcharge of \$2.00 per 1,000 gallons for every

1,000 gallon billing unit metered after the first 10,000 gallons each billing cycle. The revenues collected from the conservation block surcharge shall be escrowed into an interest bearing account and only spent on water capacity-related projects benefiting the customers of Champs or on conservation projects that will defer the need to add water service capacity to the system to serve those same customers. For commercial customers having more than one consuming facility behind a master meter, the surcharge will not go into effect until their consumption has reached the number of consuming facilities times 10,000. Each point of water usage is deemed to be a point of water consumption that would normally have its own individual water meter under Rules 290.44(d)(4) and 291.89(a)(4). This could be a building, an irrigation water meter or swimming pool. The average annualized consumption of the customers of Champs is below 10,000 gallons per month. This surcharge is to encourage that average to remain at a level considered sufficient for ordinary domestic potable water needs and allowing a reasonable amount for necessary outside water usage.

B. Rate of Return. Rate of return on investment shall be deemed to be 11%.

C. Rate Case Expenses. The Signatories agree that Champs will neither pay to the City nor recover through rates the amount equal to the City's rate case expenses incurred to the Date of Execution in the 2004 Champs Rate Case. The Signatories agree and stipulate to the reasonableness and necessity of the rate case expenses incurred in the 2004 Champs Rate Case to the extent of \$5,000 for the City and \$10,000 ("Champs rate case expenses") for Champs. The \$10,000 limitation on Champs rate case expenses shall apply only with regard to the 2004 Champs Rate Case, and such limitation shall not apply to the rate proceedings to establish similar rates for (l) the customers served by Champs within its Houston Environs before the Texas Commission on Environmental Quality. It is the intent of the Signatories that Champs recovery of rate case expenses under this Settlement will have no rate impact on any future rate proceeding. The Signatories further agree that the Champs rate case expenses will be collected as a surcharge to the customer gallonage charge only until the \$10,000 allowed amount is recovered.

D. **Accounting Provisions** Champs shall be allowed to amortize rate case expenses over a three-year period, subject to the provisions of this Settlement.

Article V
General Provisions

A. **No Res Judicata**. This Settlement is binding on each Signatory only for the purposes of resolving the issues involved in the 2004 Champs Rate Case and for no other purpose. The Signatories acknowledge and agree that a Signatory's support of the matters contained in the Settlement may differ from its position or testimony in other proceedings not referenced in the Settlement. Agreement in this Settlement does not waive a Signatory's inconsistent position in any other proceeding. A Signatory is under no obligation to affirmatively support adoption of the same resolution set out in this Settlement in another proceeding.

B. **No Principles Established**. The Signatories agree that the positions supported for purposes of the Settlement do not establish any principle or theorem of ratemaking or other law.

C. **Integrated Settlement**. This Settlement represents a compromise, settlement and accommodation between the Signatories, and the Signatories agree that the terms and conditions herein are inter-dependent and no Signatory shall be bound by any portion of this Stipulation outside the context of the Settlement as a whole. If the City Council does not accept this Settlement as presented, or adopts an Ordinance approving resolution of the 2004 Champs Rate Case on terms inconsistent with this Settlement in any material respect, the Signatories agree that any Signatory adversely affected by that material modification or inconsistency has the right to withdraw its consent from this Settlement, and the Settlement will become null and void.

D. **Prohibition Against Use**. The Signatories agree that neither oral nor written statements made during the course of negotiations toward the Settlement, nor the terms of the Settlement itself, may be used as evidence of an admission or concession for any purpose in the 2004 Champs Rate Case. The Signatories agree that this prohibition against use survives the termination of the Settlement.

E. Enforcement of Settlement. All legal rights and obligations under the Settlement are enforceable in contract. Nothing contained in the Settlement may be construed to impair the rights of the City or Champs to enforce the Settlement under applicable law.

F. Authorized Representative. Each representative who executes this Settlement warrants that s/he is duly authorized to sign this Settlement on behalf of the Signatory s/he represents.

**2004 Champs-City of Houston
Retail Water/Sewer Rate Case Settlement
Signature Page**

IN WITNESS WHEREOF, this Settlement has been executed, approved, and agreed to by the Signatories hereto in multiple counterparts, each of which shall be deemed an original, on the date indicated below by the Signatories hereto, by and through their undersigned duly authorized representatives. This Settlement shall be effective and binding, as to each Signatory, as of the Date of Execution.

Champs Water Company, Inc.

By: _____

Title: _____

Date: _____

City of Houston

By: _____

Mayor

Date: _____

Attest:

By: _____

City Secretary

Approved:

By: _____

City Attorney

EXHIBIT "A"

NOTICE OF PROPOSED RATE CHANGE

CHAMP'S WATER COMPANY, INC.
Company Name

10972 - water and 20385 - sewer
CCN Numbers

has submitted a rate change application with the Texas Commission on Environmental Quality (TCEQ). The application is identical to the water rate/tariff change application filed with each municipality in which the utility provides water utility service. **The proposed rates, fees, charges and tariff provisions listed on the following pages will apply to service received after the effective date provided below.** If the TCEQ receives protests to the proposed increase from 10 percent of the ratepayers outside municipalities served by Champ's Water Company, Inc. or from any affected municipality before the 91st day after the affected date, a public hearing will be scheduled to determine if the proposed rates are reasonable. Protests should be mailed to:

**Texas Commission on Environmental Quality
Water Supply Division,
Utilities & Districts Section, MC 153
P. O. Box 13087
Austin, Texas 78711-3087**

Unless protests are received from 10 percent of the ratepayers or the TCEQ Staff requests a hearing, no hearing will be held. Please read the following information carefully:

Aldine Forest, Mading Lane, Whisper Meadows, West Montgomery, Parkland Estates, Rolling Forest,
Western Homes, North Belt Forest in Harris and Montgomery Counties
Subdivisions or Systems Affected by Rate Change

13217-A Chrisman, Houston, Texas 77039 (281) 590-7317
Company Address Telephone

\$ 167,017 (29%) water
\$ 123,827 (20%) sewer
Annual Revenue Increase

April 22, 2004
Date Customer Notices Mailed

February 22, 1995
Date of Last Rate Change

22nd of the month
Date Meters Typically Read

EFFECTIVE DATE OF PROPOSED INCREASE: June 22, 2004.

The proposed rates will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the TCEQ. If the TCEQ orders a lower rate to be set, the utility may be ordered to refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest. You may inspect a copy of the rate change application at your utility's office or at the Texas Commission on Environmental Quality's office at Park 35 - Building F, 12015 Park 35 Circle, Suite 31044, Austin, Texas, west side of IH-35, south of Yager Lane. Additional information about the application can be obtained by contacting the TCEQ at 512/239-6960. Information about how you can participate in the rate setting process can be obtained by contacting the Public Interest Counsel at 512/239-6363.

WEST MONTGOMERY CUSTOMERS INSIDE THE CITY OF HOUSTON.

Please note that the City of Houston City Council has original ratemaking jurisdiction over your rates. An identical rate change application has been filed with the Houston City Secretary. All protests and hearing requests from customers inside the City of Houston must be filed with Ms.

Anna Russell, City Secretary, City of Houston, P O Box 1562, Houston, Texas 77251 or 900 Bagby, Houston, Texas 77002. The City switchboard is (713) 837-1940. The application is public record at the City. Unless protests are received from 10 percent of the affected ratepayers or the City Staff requests a hearing, no hearing may be held. The same statements above concerning TCEQ action of the rate change application filed with that agency also apply to the Houston City Council regarding the in-city rate change application filed with the City Secretary.

— EXISTING RATES BY SYSTEMS —

WHISPERING MEADOWS:

WATER:

Meter size:	
5/8 x 3/4 inch (include 3,000 gallons)	\$20.00
Gallonage charge	\$1.25 / 1000 gal.

REGULATORY ASSESSMENT

Tap Fee 5/8 x 3/4-inch meter (standard residential) -	1.0%
Meter Test Fee	\$300.00
Reconnect Fee	Actual Cost not to exceed \$25.00
	Delinquent Account \$25.00
	Customer Request \$25.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$15.00
Residential Customer Deposit	\$40.00

SEWER:

Meter size:	
5/8 x 3/4 inch (include 3,000 gallons)	\$20.00
Gallonage charge	\$1.25 / 1000 gal.
Volume charge based on winter average consumption during December, January and February	

REGULATORY ASSESSMENT

Tap Fee 5/8 x 3/4-inch meter (standard residential) -	1.0%
Reconnect Fee	\$300.00
	Delinquent Account \$25.00
	Customer Request \$25.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$15.00
Residential Customer Deposit	\$40.00
Line Extension and construction Charges	Per Tariff

WEST MONTGOMERY

WATER: outside Houston

Meter size:	
5/8 x 3/4 inch (include 2,000 gallons)	\$10.22
1 1/2 inch	\$ 33.73
2 inch	\$ 54.18
Gallonage charge	\$0.87 / 1000 gal.

REGULATORY ASSESSMENT

Tap Fee 5/8 x 3/4-inch meter	\$350.00
Meter Test Fee	Actual Cost not to exceed \$25.00
Reconnect Fee	Delinquent Account \$12.00
	Customer Request \$12.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$12.00
Residential Customer Deposit	\$50.00

Water: inside Houston

Meter size:

5/8 x 3/4 inch (include 0 gallons)	\$6.25
1 1/2 inch	\$ 107.47
2 inch	\$ 171.95
Gallonage charge	\$1.35 / 1000 gal.
REGULATORY ASSESSMENT	1.0%
Tap Fee 5/8 x 3/4-inch meter	\$350.00
Meter Test Fee	Actual Cost not to exceed \$25.00
Reconnect Fee	Delinquent Account \$25.00
	Customer Request \$35.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$20.00
Residential Customer Deposit	\$50.00
Deposit Other	1/6 th est. ann. bill
Transfer Fee	\$25.00
Meter Installation Fee	\$75.00
Seasonable Reconnect Charge	Minimum rate for that meter size times the number of months off the system, not to exceed 6 months, when voluntarily terminated and restored within 12 months.

SEWER: outside Houston

Meter size:	
5/8 x 3/4 inch (include 2,000 gallons)	\$8.38
1 1/2 inch	\$ 27.65
2 inch	\$ 44.41
Gallonage charge	\$1.30 / 1000 gal.
REGULATORY ASSESSMENT	1.0%
Tap Fee 5/8 x 3/4-inch meter	\$350.00
Meter Test Fee	Actual Cost not to exceed \$25.00
Reconnect Fee	Delinquent Account \$12.00
	Customer Request \$12.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$12.00
Residential Customer Deposit	\$50.00

SEWER: inside Houston

Meter size:	
5/8 x 3/4 inch (include 0 gallons)	\$6.50
1 1/2 inch	\$ 124.99
2 inch	\$ 199.99
Gallonage charge	\$1.40 / 1000 gal.
REGULATORY ASSESSMENT	1.0%
Tap Fee 5/8 x 3/4-inch meter	\$350.00
Meter Test Fee	Actual Cost not to exceed \$25.00
Reconnect Fee	Delinquent Account \$25.00
	Customer Request \$35.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$20.00
Residential Customer Deposit	\$50.00
Deposit Other	1/6 th est. ann. bill
Transfer Fee	\$25.00
Seasonable Reconnect Charge	Minimum rate for that meter size times the number of months off the system, not to exceed 6 months, when voluntarily terminated and restored within 12 months.

ALDINE FOREST, WESTERN HOMES & MADING LANE

WATER:

Meter size:	
5/8 x 3/4 inch (include 1000 gallons)	\$17.70
1 inch	\$31.00
1 1/2 inch	\$ 66.00
2 inch	\$ 117.00

Gallage charge	\$1.05 / 1000 gal.
REGULATORY ASSESSMENT	1.0%
Tap Fee 5/8 x 3/4-inch meter	\$300.00
Meter Test Fee	Actual Cost not to exceed \$25.00
Reconnect Fee	Delinquent Account \$25.00
	Customer Request \$33.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$10.00
Residential Customer Deposit	\$50.00
Deposit - Other	1/6 th est. ann. bill

ALDINE FOREST & WESTERN HOMES

SEWER:

Residential Customers - 3/4-inch meter
 \$5.30 / 1000 gallons x individual customer's average water usage for December, January and February with the winter average recomputed annually

New Residential Customer Charge - \$37.60 per month

Commercial Customers - 1 inch, 1 1/2, and 2 inch meters
 \$5.30 / 1000 gallons x individual customer's average water usage per month year round

REGULATORY ASSESSMENT	1.0%
Tap Fee 5/8 x 3/4-inch meter	\$300.00
Meter Test Fee	Actual Cost not to exceed \$25.00
Reconnect Fee	Delinquent Account \$25.00
	Customer Request \$33.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$10.00

PARKLAND ESTATES

WATER:

Meter size:	
5/8 x 3/4 inch (include 0 gallons)	\$17.70
1 inch	\$31.00
1 1/2 inch	\$66.00
2 inch	\$117.00

Gallage charge	\$1.05 / 1000 gal.
REGULATORY ASSESSMENT	1.0%
Tap Fee 5/8 x 3/4-inch meter	\$300.00
Meter Test Fee	Actual Cost not to exceed \$25.00
Reconnect Fee	Delinquent Account \$25.00
	Customer Request \$33.00
Late Fee	\$2.00 or 5%
Return Check Charge	\$10.00
Residential Customer Deposit	\$50.00

SEWER:

Residential Customers - 3/4-inch meter
 \$5.30 / 1000 gallons x individual customer's average water usage for December, January and February with the winter average recomputed annually

New Residential Customer Charge - \$37.60 per month

Commercial Customers - 1 inch, 1 1/2, and 2 inch meters
 \$5.30 / 1000 gallons x individual customer's average water usage per month year round

REGULATORY ASSESSMENT	1.0%
Tap Fee 5/8 x 3/4-inch meter	\$150.00
Late Fee	\$2.00 or 5%

Return Check Charge

\$10.00

ROLLING FOREST

WATER:

Meter size:

5/8 x 3/4 inch (include 1000 gallons)

\$30.00

1 inch

\$60.00

Gallonage charge

\$1.30 / 1000 gal.

REGULATORY ASSESSMENT

1.0%

Tap Fee 5/8 x 3/4-inch meter

\$400.00

Meter Test Fee

Actual Cost not to exceed \$25.00

Reconnect Fee

Delinquent Account

\$25.00

Late Fee

\$2.00 or 5%

Return Check Charge

\$20.00

Residential Customer Deposit

\$50.00

NORTH BELT FOREST

WATER:

Meter size:

5/8 x 3/4 inch (include 0 gallons)

\$12.00

1 inch

\$20.04

1 1/2 inch

\$ 39.96

2 inch

\$ 63.96

Gallonage charge

\$1.75 / 1000 gal.

REGULATORY ASSESSMENT

1.0%

Tap Fee 5/8 x 3/4-inch meter

\$300.00

Meter Test Fee

Actual Cost not to exceed \$25.00

Reconnect Fee

Delinquent Account

\$25.00

Customer Request

\$40.00

Late Fee

\$2.00 or 5%

Return Check Charge

\$20.00

Residential Customer Deposit

\$50.00

Underground Water District Pass Through Clause

per TCEQ rules

CHANGES IN FEES CHARGED BY UNDERGROUND WATER DISTRICTS MAY BE PASSED ON TO CUSTOMER PER TCEQ RULES ACCORDING TO THE FORMULA $AG=(G=B) + L(G=B)$, WHERE AG= ADJUSTED GALLONAGE CHARGE, G = APPROVED GALLONAGE CHARGE, B = CHANGE IN DISTRICT FEE AND L = SYSTEM AVER LINE LOSS FOR PRECEEDING 12 MONTHS, NOT TO EXCEED 15%.

SEWER:

Meter size:

5/8 x 3/4 inch (include 0 gallons)

\$20.00

1 inch

\$33.40

1 1/2 inch

\$ 66.60

2 inch

\$ 106.60

Gallonage charge

\$1.00 / 1000 gal.

Residential customers shall be charged on their winter average water consumption for December, January and February, recomputed annually. Large meter water customers will be charged the base rate for their meter size plus the gallonage charge for 5,000 gallons.

REGULATORY ASSESSMENT

1.0%

Tap Fee 5/8 x 3/4-inch meter

short tap

\$300.00

Tap Fee 5/8 x 3/4-inch meter

long tap

\$400.00

Reconnect Fee

Delinquent Account

\$25.00

Customer Request

\$40.00

Late Fee

\$2.00 or 5%

Return Check Charge

\$20.00

Transfer Fee

\$40.00

PROPOSED WATER AND SEWER RATES:

THESE RATES APPLY TO ALL CUSTOMERS SERVED BY CHAMP'S WATER COMPANY

Champ's Water Company, Inc. is also proposing to make substantial modifications to its water and sewer utility tariffs. These are the schedules of terms and conditions under which utility services are provided to the public and will govern all future relations between the utility and its customers. All affected customers are encouraged to review these proposed tariffs and the other portions of the rate filing application in the utility's business office during normal business hours or at the TCEQ's Austin headquarters complex and the Houston City Hall.

— WATER RATES AND CHARGES —

<u>Meter Size</u>	<u>Monthly Minimum Rate</u> (includes -0- gallons all meters)	<u>Gallonage Charge</u>
5/8 x 3/4"	\$ 14.44	\$2.25 per 1000 gallons for the first 10,000 gallons plus \$2.00 per 1000 gallons thereafter conservation surcharge
3/4"	21.65	
1"	36.09	
1 1/2"	72.18	
2"	115.49	
3"	216.55	
4"	360.91	
6"	721.83	

CONSERVATION GALLONAGE SURCHARGE - There will be a surcharge of \$2.00 per 1,000 gallons for every 1,000-gallon billing unit metered after the first 10,000 gallons each billing cycle. The revenues collected from conservation block surcharge shall be escrowed into an interest bearing account and only spent on water capacity-related projects benefiting the customers of Champ's Water Company or on conservation projects that will defer the need to add additional water service capacities on the system to serve those same customers. For commercial customers having more than one consuming facility behind a master meter, the surcharge will not go into effect until their consumption has reached the number of consuming facilities times 10,000 gallons.

REGULATORY ASSESSMENT	1.0%
TAP FEE 5/8 x 3/4" meter	\$600.00
Plus unique costs at actual cost where permitted by TCEQ rule	
LARGE METER TAP FEE	Actual Cost
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	\$40.00
TRANSFER FEE	\$40.00
LATE CHARGE	10%
RETURNED CHECK CHARGE	\$20.00
CUSTOMER DEPOSIT RESIDENTIAL	\$50.00
COMMERCIAL AND NON-RESIDENTIAL DEPOSIT	1/6TH EST. ANNUAL BILL
METER TEST FEE (actual cost of testing the meter up to)	\$25.00
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
METER RELOCATION FEE	Actual cost to relocate that meter
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER	
METER CONVERSION FEE	Actual cost to convert that 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	
AMR METER CONVERSION FEE	Actual cost to convert that meter
THIS FEE MAY BE CHARGED IF A CUSTOMER THE CUSTOMER REFUSES TO MAKE ACCESS TO THE METER AVAILABLE AND THE MOST COST EFFECTIVE SOLUTION FOR THE CUSTOMER AND THE UTILITY IS TO COVERT THE SERVICE TO A REMOTE READ RADIO METER TO AVOID THE CONSTRUCTION AND RELOCATION OF THE UTILITY'S MAIN AND FACILITIES AND THE CUSTOMER'S METER TO ANOTHER LOCATION.	

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ 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 pr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 30 T.A.C. 291.21(l).

LINE EXTENSION AND CONSTRUCTION CHARGES:

Refer to Section 2.20 Specific Utility Service Rules and Section 3.20 Utility Specific Extension Policy for terms, conditions, and charges.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

Increases in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions of 30 T.A.C. 291.21(k)(2) after notice to customers and upon written approval by the TCEQ.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE

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

AG = G + 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

LOCK REMOVAL OR DAMMAGE FEE

\$10.00

THIS FEE SHALL BE ACCESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN TERMINATED FOR NON-PAYMENT BY LOCKING THE METER AND THE LOCK HAS SUBSEQUENTLY BEEN REMOVED OR DAMAGED WITHOUT AUTHORIZATION BY THE UTILITY IN ORDER TO RESTORE WATER SERVICE TO THE ACCOUNT HOLDER'S ORIGINAL PLACE OF SERVICE. THIS FEE SHALL NOT BE CHARGED IF THE DAMAGED METER FEE IS CHARGED.

DAMAGED METER AND APPURTENANCES FEE

Actual cost plus \$10.00

THIS FEE SHALL BE ACCESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN TERMINATED FOR NON-PAYMENT BY LOCKING THE METER AND METER OR APPURTENANCES SUCH AS THE CURB STOP HAVE BEEN DAMAGED REQUIRING REPAIR AND/OR REPLACEMENT IN AN ATTEMPT TO RESTORE WATER SERVICE TO THE POINT OF SERVE THAT WAS DISCONNECTED. THE ACCOUNT HOLDER SHALL BE CHARGED THE FULL COST OF REPAIRING AND/OR REPLACING ALL DAMAGED PARTS, INCLUDING LABOR AND VEHICLES. THIS WILL INCLUDE REPLACEMENT OF METERS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES. IN ADDITION, A \$10.00 PENALTY WILL BE LEVIED TO DETER FUTURE TAMPERING.

CUSTOMER SERVICE INSPECTION FEES

\$75.00

SERVICE APPLICANTS ARE FREE TO HAVE CUSTOMER SERVICE INSPECTIONS REQUIRED BY TCEQ RULE 290.46(j) BY ANY STATE-LICENSED INSPECTOR OF THEIR CHOICE.. THEY ARE ENCOURAGED TO USE A THIRD PARTY INSPECTOR AND NOT AN EMPLOYEE OF THE UTILITY. HOWEVER, IF THEY REQUEST THE UTILITY TO PERFORM THE INSPECTION, IT WILL BE DONE AT A MARKET PRICE. SINCE THIS IS NOT A FUNCTION OF PUBLIC WATER UTILITY SERVICE, PERFORMING CUSTOMER SERVICE INSPECTIONS MUST TAKE LOWER PRIORITY TO FULFILLING UTILITY SERVICE RESPONSIBILITIES UNDER THE TCEQ'S CHAPTER 290 AND 291 RULES.

METER INSTALLATION FEE

\$90.00

SEWER RATES AND CHARGES

RESIDENTIAL RATES: (includes -0- gallons)

BY WATER METER SIZE

5/8 X 3/4 inch or unmetered	\$11.88
3/4 inch	\$17.82
1 inch	\$29.70
1 1/2 inch	\$59.30

COMMERCIAL RATES: (includes -0- gallons)

BY WATER METER SIZE

5/8 X 3/4 inch or unmetered	\$11.88
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¼ inch	\$17.82
1 inch	\$29.70
1 ½ inch	\$59.30
2" inch	\$95.03
3 inch	\$178.18
4 inch	\$296.96
6 inch	\$593.92

GALLONAGE CHARGE: (all customer classes)

\$3.70 per 1000 gallons of water

Residential customers' gallonage charge shall be based on the winter average of their water consumption during the months of December, January and February. Winter averages shall be recomputed each March based on the preceding December - February water meter readings. Residential customers who do not have a winter consumption history shall be imputed the winter consumption average for the system in which they reside until they establish their own history. Commercial customers shall not be subject to winter averaging. Their bills shall be calculated on their actual water consumption each month year round.

REGULATORY ASSESSMENT

1.0%

TAP FEE (Gravity Sewer) for 5/8 x 3/4-inch water meter

\$600.00

plus any unique costs permitted by TCEQ rules

TAP FEE LARGER METER (Gravity Sewer)

ACTUAL COST

TAP FEE (Pressure Sewer) any water meter size

ACTUAL COST

(Customer shall own and maintain all required grinder pumps and appurtenances)

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

\$40.00

TRANSFER FEE

\$40.00

LATE CHARGE

10%

RETURNED CHECK CHARGE

\$20.00

CUSTOMER DEPOSIT RESIDENTIAL

\$50.00

COMMERCIAL AND OTHER NON-RESIDENTIAL DEPOSIT

1/6TH EST. ANNUAL BILL

SERVICE RELOCATION FEE

Actual cost to relocate that service connection

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:

Per Section 2.20 Specific Utility Service Rules and

Section 3.20 Utility Specific Extension Policy of Tariff And TCEQ Rules

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

Increases in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions of 30 T.A.C. 291.21(k)(2) after notice to customers and upon written approval by the TCEQ.

REPAIRS OR MAINTENANCE OF CUSTOMER PLUMBING

INCURRED COST

If a customer reports a blockage or other service problem and the fault is found to be with the customer's private plumbing, i.e., a blockage in the customer's service line upstream from the point of connection to the utility's collection line, if the customer requests the utility to perform the repairs they will be charged the same hourly labor and equipment charges the utility's affiliate company charges third party customers.

— TEXAS WATER CODE §13.187(a)(2) BILLING COMPARISON —

Existing Rates

<u>SYSTEM</u>	<u>Meter Size</u>	<u>Water 10,000 gallons</u>	<u>Water 30,000 gallons</u>	<u>Sewer 10,000 gallons</u>
WHISPERING MEADOWS		\$41.25	\$66.25	\$41.25
WEST MONTGOMERY outside Houston	5/8 x ¾ inch	\$17.18	\$34.58	\$18.78
	1 ½ inch	\$40.69	\$58.09	\$38.05
	2 inch	\$61.14	\$78.54	\$54.81

inside Houston

	5/8 x 3/4 inch	\$19.75		\$46.75		\$20.50
1 1/2 inch	\$120.97		\$147.97		\$138.99	
2 inch	\$185.45		\$212.45		\$213.99	

ALDINE FOREST
WESTERN HOMES
& MADING LANE

	5/8 x 3/4 inch	\$27.15		\$48.15		residential
	1 inch	\$40.45		\$61.45		\$53.00
	1 1/2 inch	\$75.45		\$96.45		commercial
	2 inch	\$126.45		\$147.45		\$53.00

PARKLAND
ESTATES

	5/8 x 3/4 inch	\$27.15		\$48.15		residential
	1 inch	\$40.45		\$61.45		\$53.00
	1 1/2 inch	\$75.45		\$96.45		commercial
	2 inch	\$126.45		\$147.45		\$53.00

ROLLING
FOREST

	5/8 x 3/4 inch	\$41.70		\$67.70		N/A
	1 inch	\$71.70		\$97.70		N/A

NORTH BELT
FOREST

	5/8 x 3/4 inch	\$29.50		\$54.50		\$30.00
	1 inch	\$37.54		\$72.54		\$43.40
	1 1/2 inch	\$57.46		\$92.46		\$76.60
	2 inch	\$81.46		\$116.46		\$116.60

**Proposed Rates
Same For All Systems Served**

<u>Meter Size</u>	<u>Water 10,000 gallons</u>	<u>Water 30,000 gallons</u>	<u>Sewer 10,000 gallons</u>
5/8 x 3/4"	\$36.94	\$121.94	\$48.88
3/4"	\$44.15	\$129.15	\$54.82
1"	\$58.59	\$143.59	\$66.70
1 1/2"	\$94.68	\$179.68	\$96.30
2"	\$137.99	\$222.99	\$132.03
3"	\$239.05	\$324.05	\$215.18
4"	\$383.41	\$468.41	\$333.96
6"	\$744.33	\$829.33	\$630.92

EXHIBIT "B"

RESIDENTIAL WATER RATES

<u>Meter Size</u>	<u>Monthly Minimum Rate</u> <small>(includes -0- gallons all meters)</small>	<u>Gallonage Charge</u>
5/8 x 3/4"	\$ 11.25	\$1.90 / 1000 gal. for the 1 st 10,000 gal.
1"	28.13	plus \$2.00 /
1½"	107.47	1000 gal.
2"	171.95	thereafter

CONSERVATION GALLONAGE SURCHARGE - There will be a surcharge of \$2.00 per 1,000 gallons for every 1,000 gallon billing unit metered after the first 10,000 gallons each billing cycle. The revenues collected from conservation block surcharge shall be escrowed into an interest bearing account and only spent on water capacity-related projects benefiting the customers of Champ's Water Company or on conservation projects that will defer the need to add additional water service capacities on the system to serve those same customers. The average annualized consumption of the customers of Champ's Water Company is below 10,000 gallons per month. This surcharge is to encourage that average to remain at a level considered sufficient for ordinary domestic potable water needs and a reasonable amounts for necessary outside water usage.

REGULATORY ASSESSMENT.....1.0%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

EXHIBIT "C"

LIGHT COMMERCIAL WATER RATES

<u>Meter Size</u>	<u>Monthly Minimum Rate</u> (includes -0- gallons all meters)	<u>Gallonage Charge</u>
5/8 x 3/4"	\$ 11.25	\$1.90 per 1000 gallons for the first 10,000 gallons 1" 28.13 plus \$2.00 per 1000 gallons thereafter plus \$2.00 / 1000 gal thereafter
1 1/2"	107.47	
2"	171.95	

CONSERVATION GALLONAGE SURCHARGE - There will be a surcharge of \$2.00 per 1,000 gallons for every 1,000 gallon billing unit metered after the first 10,000 gallons each billing cycle. The revenues collected from conservation block surcharge shall be escrowed into an interest bearing account and only spent on water capacity-related projects benefiting the customers of Champ's Water Company or on conservation projects that will defer the need to add additional water service capacities on the system to serve those same customers. For commercial customers having more than one consuming facility behind a master meter, the surcharge will not go into effect until their consumption has reached the number of consuming facilities times 10,000 gallons. Each point of water usage is deemed to be a point of water consumption that would normally have its own individual water meter under Rules 290.44(d)(4) and 291.89(a)(4). This could be a building, an irrigation water meter, or a swimming pool meter. The average annualized consumption of the customers of Champ's Water Company is below 10,000 gallons per month. This surcharge is to encourage that average to remain at a level considered sufficient for ordinary domestic potable water needs and a reasonable amounts for necessary outside water usage.

REGULATORY ASSESSMENT 1.0%
 A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

EXHIBIT "D"

LARGE COMMERCIAL AND INDUSTRIAL RATES

<u>Meter Size</u>	<u>Monthly Minimum Rate</u> <small>(includes -0- gallons all meters)</small>	<u>Gallonage Charge</u>
5/8 x 3/4"	\$ 11.25	\$1.90 per 1000 gallons for the first 10,000 gallons 1" 28.13 plus \$2.00 per 1000 gallons thereafter plus \$2.00 / 1000 gal thereafter
1 1/2"	107.47	
2"	171.95	

CONSERVATION GALLONAGE SURCHARGE - There will be a surcharge of \$2.00 per 1,000 gallons for every 1,000 gallon billing unit metered after the first 10,000 gallons each billing cycle. The revenues collected from conservation block surcharge shall be escrowed into an interest bearing account and only spent on water capacity-related projects benefiting the customers of Champ's Water Company or on conservation projects that will defer the need to add additional water service capacities on the system to serve those same customers. For commercial customers having more than one consuming facility behind a master meter, the surcharge will not go into effect until their consumption has reached the number of consuming facilities times 10,000 gallons. Each point of water usage is deemed to be a point of water consumption that would normally have its own individual water meter under Rules 290.44(d)(4) and 291.89(a)(4). This could be a building, an irrigation water meter, or a swimming pool meter. The average annualized consumption of the customers of Champ's Water Company is below 10,000 gallons per month. This surcharge is to encourage that average to remain at a level considered sufficient for ordinary domestic potable water needs and a reasonable amounts for necessary outside water usage.

REGULATORY ASSESSMENT 1.0%
 A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

EXHIBIT "E"

RESIDENTIAL SEWER RATES:
BY WATER METER SIZE

5/8 X 3/4 inch or unmetered	\$11.50
1 inch	\$28.75
1 1/2 inch	\$124.99

GALLONAGE CHARGE: (all customer classes) \$2.75 per 1000 gallons of water
Residential customers' gallonage charge shall be based on the winter average of their water consumption during the months of December, January and February. Winter averages shall be recomputed each March based on the preceding December - February water meter readings. Residential customers who do not have a winter consumption history shall be imputed the winter consumption average for the system in which they reside until they establish their own history.

REGULATORY ASSESSMENT 1.0%

EXHIBIT "F"

LIGHT COMMERCIAL SEWER RATES:

BY WATER METER SIZE

5/8 X 3/4 inch or unmetered	\$11.50
1 inch	\$28.75
1 1/2 inch	\$124.99
2" inch	\$199.99

GALLONAGE CHARGE: (all customer classes) \$2.75 per 1000 gallons of water

Commercial customers shall not be subject to winter averaging. Their bills shall be calculated on their actual water consumption each month year round.

REGULATORY ASSESSMENT 1.0%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL SEWER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

EXHIBIT "G"

LARGE COMMERCIAL AND INDUSTRIAL SEWER RATES:

BY WATER METER SIZE

5/8 X 3/4 inch or unmetered	\$11.50
1 inch	\$28.75
1 1/2 inch	\$124.99
2" inch	\$199.99

GALLONAGE CHARGE: (all customer classes) \$2.75 per 1000 gallons of water

Commercial and industrial customers shall not be subject to winter averaging. Their bills shall be calculated on their actual water consumption each month year round.

REGULATORY ASSESSMENT

1.0%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL SEWER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

EXHIBIT "H"

MISCELLANEOUS PROVISIONS- WATER

FORM OF PAYMENT: THE UTILITY WILL ACCEPT THE FOLLOWING FORM(S) OF PAYMENT :

Cash __, Check x, Money Order x, Discovery __, MasterCard __, Visa __

(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.)

Section 1.02 - Miscellaneous Fees

TAP FEE 5/8 x 3/4" meter **\$600.00**
Plus unique costs at actual cost where permitted by TCEQ rule

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 1" METER.

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** **\$40.00**
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

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

LATE CHARGE **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 **\$20.00**

CUSTOMER DEPOSIT RESIDENTIAL **\$50.00**

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

METER TEST FEE (actual cost of testing the meter up to) **\$25.00**
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

SEASONAL RECONNECTION FEE **Base rate for meter size times number of months off the system not to exceed six months when leave and return within a twelve month period**

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

METER CONVERSION FEE **Actual cost to convert that meter**

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE

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

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

LOCK REMOVAL OR DAMMAGE FEE \$10.00

THIS FEE SHALL BE ACCESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN TERMINATED FOR NON-PAYMENT BY LOCKING THE METER AND THE LOCK HAS SUBSEQUENTLY BEEN REMOVED OR DAMAGED WITHOUT AUTHORIZATION BY THE UTILITY IN ORDER TO RESTORE WATER SERVICE TO THE ACCOUNT HOLDER'S ORIGINAL PLACE OF SERVICE. THIS FEE SHALL NOT BE CHARGED IF THE DAMAGED METER FEE IS CHARGED.

DAMAGED METER AND APPURTENANCES FEE Actual cost plus \$10.00

THIS FEE SHALL BE ACCESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN TERMINATED FOR NON-PAYMENT BY LOCKING THE METER AND METER OR APPURTENANCES SUCH AS THE CURB STOP HAVE BEEN DAMAGED REQUIRING REPAIR AND/OR REPLACEMENT IN AN ATTEMPT TO RESTORE WATER SERVICE TO THE POINT OF SERVE THAT WAS DISCONNECTED. THE ACCOUNT HOLDER SHALL BE CHARGED THE FULL COST OF REPAIRING AND/OR REPLACING ALL DAMAGED PARTS, INCLUDING LABOR AND VEHICLES. THIS WILL INCLUDE REPLACEMENT OF METERS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES. IN ADDITION, A \$10.00 PENALTY WILL BE LEVIED TO DETER FUTURE TAMPERING.

CUSTOMER SERVICE INSPECTION FEES \$75.00

SERVICE APPLICANTS ARE FREE TO HAVE CUSTOMER SERVICE INSPECTIONS REQUIRED BY TCEQ RULE 290.46(i) BY ANY STATE-LENCED INSPECTOR OF THEIR CHOICE.. THEY ARE ENCOURAGED TO USE A THIRD PARTY INSPECTOR AND NOT AN EMPLOYEE OF THE UTILITY. HOWEVER, IF THEY REQUEST THE UTILITY TO PERFORM THE INSPECTION, IT WILL BE DONE AT A MARKET PRICE. SINCE THIS IS NOT A FUNCTION OF PUBLIC WATER UTILITY SERVICE, PERFORMING CUSTOMER SERVICE INSPECTIONS MUST TAKE LOWER PRIORITY TO FULFILLING UTILITY SERVICE RESPONSIBILITIES UNDER THE TCEQ'S CHAPTER 290 AND 291 RULES.

METER INSTALLATION FEE \$90.00

TO BE CHARGE WHEN UNMETERED SERVICE EXISTS ON THE SYSTEM THAT SHOULD BE METERED TO BE INCOMPLIANCE WITH THE UTILITY'S TARIFF BUT THE CONVERSION OF THE SERVICE WOULD NOT REQUIRE A FULL TAP AND ALL OF ITS COSTS. THIS FEE WILL BE A SHARING OF COSTS BETWEEN THE CUSTOMER AND THE UTILITY. THE CUSTOMER MAY HAVE THE OPTION OF PAYING THE FEE OVER NO MORE THAN THREE (3) MONTHS.

EXHIBIT "H"

MISCELLANEOUS PROVISIONS - SEWER

FORM OF PAYMENT: THE UTILITY WILL ACCEPT THE FOLLOWING FORM(S) OF PAYMENT :

Cash___, Check x, Money Order x, Discovery___, MasterCard___, Visa___
(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.)

TAP FEE (Gravity Sewer) for 5/8 x 3/4-inch water meter **\$600.00**
plus any unique costs permitted by TCEQ rules

TAP FEE LARGER METER (Gravity Sewer) **ACTUAL COST**

TAP FEE (Pressure Sewer) any water meter size **ACTUAL COST**
(Customer shall own and maintain all required grinder pumps and appurtenances)

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 **\$40.00**
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

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

LATE CHARGE **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 **\$20.00**

CUSTOMER DEPOSIT RESIDENTIAL **\$50.00**

COMMERCIAL AND OTHER NON-RESIDENTIAL DEPOSIT **1/6TH EST. ANNUAL BILL**

SERVICE RELOCATION FEE **Actual cost to relocate that service connection**
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING SERVICE CONNECTION

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 Section 3.20 Utility Specific Extension Policy for terms, conditions, and charges.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

Increases in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions of 30 T.A.C. 291.21(k)(2) after notice to customers and upon written approval by the TCEQ.

REPAIRS OR MAINTENANCE OF CUSTOMER PLUMBING

INCURRED COST

If a customer reports a blockage or other service problem and the fault is found to be with the customer's private plumbing, i.e., a blockage in the customer's service line upstream from the point of connection to the utility's collection line, if the customer requests the utility to perform the repairs they will be charged the same hourly labor and equipment charges the utility's affiliate company charges third party customers.