

SECTION 1.0 – RATE SCHEDULE

Section 1.01 – Rates

Monthly Minimum Charge (Base Rate) (Includes 0 Gallons)	12/2/2013 – 12/31/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019 (Until changed and if no prior application filed)
Residential Meter Size:						
5/8" x 3/4"	\$44.00	\$41.37	\$42.32	\$43.28	\$44.00	\$44.00
3/4"	\$66.00	\$62.05	\$63.48	\$64.91	\$66.00	\$66.00
1"	\$110.00	\$103.42	\$105.81	\$108.19	\$110.00	\$110.00
Gallage Charge (per 1,000 gallons used)*						
Tier 1	\$3.30	\$3.10	\$3.17	\$3.25	\$3.30	\$3.30
Tier 2	\$4.85	\$4.56	\$4.67	\$4.77	\$4.85	\$4.85
Tier 3	\$6.35	\$5.97	\$6.11	\$6.25	\$6.35	\$6.35
Tier 4	\$8.00	\$7.52	\$7.69	\$7.87	\$8.00	\$8.00

Monthly Minimum Charge (Base Rate) (Includes 0 Gallons)	12/2/2013 – 12/31/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019 (Until changed and if no prior application filed)
Large Meter Size:						
1.5"	\$220.00	\$206.85	\$211.61	\$216.38	\$220.00	\$220.00
2"	\$352.00	\$330.95	\$338.58	\$346.20	\$352.00	\$352.00
3"	\$660.00	\$620.54	\$634.83	\$649.13	\$660.00	\$660.00
4"	\$1,100.00	\$1,034.23	\$1,058.05	\$1,081.88	\$1,100.00	\$1,100.00
6"	\$2,200.00	\$2,068.45	\$2,116.11	\$2,163.76	\$2,200.00	\$2,200.00
Bulk Water	\$352.00	\$330.95	\$338.58	\$346.20	\$352.00	\$352.00
Gallage Charge (per 1,000 gallons used)*	\$6.35	\$5.97	\$6.11	\$6.25	\$6.35	\$6.35

*Gallons include in Residential Tiers

5/8" x 3/4" Tiers	3/4" Tiers	1" Tiers
Tier 1 – 0 to 2,000 Gallons	Tier 1 – 0 to 4,000 Gallons	Tier 1 – 0 to 6,000 Gallons
Tier 2 – 2,001 to 10,000 Gallons	Tier 2 – 4,001 to 20,000 Gallons	Tier 2 – 6,001 to 30,000 Gallons
Tier 3 – 10,001 to 25,000 Gallons	Tier 3 – 20,001 to 50,000 Gallons	Tier 3 – 30,001 to 75,000 Gallons
Tier 4 – 25,001 Gallons and Over	Tier 4 – 50,001 Gallons and Over	Tier 4 – 75,001 Gallons and Over

SECTION 1.0 – RATE SCHEDULE (Continued)

Rebecca Creek Only:

Monthly Minimum Charge (Base Rate) (Includes 0 gallons)	
Residential Meter Size:	
5/8" x 3/4"	\$44.00
3/4"	\$66.00
1"	\$110.00
Gallage Charge (per 1,000 gallons Used)*	
Tier 1	\$3.30
Tier 2	\$4.85
Tier 3	\$6.35
Tier 4	\$8.00

Monthly Minimum Charge (Base Rate) (Includes 0 gallons)	
Large Meter Size:	
1.5"	\$220.00
2"	\$352.00
3"	\$660.00
4"	\$1,100.00
6"	\$2,200.00
Bulk Water	\$352.00
Gallage Charge (per 1,000 gallons Used)*	\$6.35

WATER PASS-THROUGH.....\$1.26 per 1,000 gallons used
(Tariff Control No. 58457) (not applicable to the Elm Ridge Water system)

System Improvement Charge*(Docket No. 56974)*

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8" x 3/4"	\$13.19
3/4"	\$19.78
1"	\$32.97
1 1/2"	\$65.94
2"	\$105.51
3"	\$197.83
4"	\$329.72
6"	\$659.43

SECTION 1.0 – RATE SCHEDULE (Continued)

SUPPLEMENTAL EMERGENCY SERVICE FEE:

APPLICABLE TO NONRESIDENTIAL WATER SERVICE CUSTOMERS THAT REQUIRE SUPPLEMENT SERVICE OVER AN ABOVE THEIR EXISTING WATER SERVICE FROM TIME TO TIME. USAGE TO BE DETERMINED BY CUSTOMER. THE MINIMUM DIAMETER FOR SUPPLEMENTAL SERVICE SHALL BE TWO INCHES.

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>
2"	<u>\$50.51</u>
3"	<u>\$75.76</u>
4"	<u>\$84.18</u>
6"	<u>\$143.11</u>
8"	<u>\$252.54</u>
10"	<u>\$336.72</u>
12"	<u>\$404.06</u>

Federal Tax Cut Credit (FTCC)**Volumetric Component**\$0.37 per 1,000 gallons billed

Effective May 1, 2018

Federal Tax Cut Credit (FTCC)**Base Rate Component by meter size**

Effective May 1, 2018

<u>Meter Size</u>	<u>Credit</u>
5/8"	\$2.50
3/4"	\$3.75
1"	\$6.25
1 1/2"	\$12.50
2"	\$20.00
3"	\$37.50
4"	\$62.50
6"	\$125.00
2" Wholesale	\$20.00
Bulk	\$20.00

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Online

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. UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CASH, CREDIT CARD, OR ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

REGULATORY ASSESSMENT..... 1.0%

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

SECTION 1.0 – RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees

TAP FEE \$900.00

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.

TAP FEE (Unique costs) Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISION OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost

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

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAYBE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RECONNECTION FEE

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

- a) Non-payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$45.00

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.

TRANSFER FEE \$5.00

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

CUSTOMER SERVICE INSPECTION FEE \$50.00

ASSESSED TO AN APPLICANT FOR SERVICE BEFORE PERMANENT, CONTINUOUS SERVICE IS PROVIDED TO NEW CONSTRUCTION. THE CUSTOMER HAS THE OPTION TO HAVE THE INSPECTION COMPLETED BY ANOTHER PROVIDER.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$25.00

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

METER TAMPERING DAMAGE FEE \$50.00

THE UTILITY MAY CHARGE THIS FEE FOR METER TAMPERING, BYPASSING THE METER OR SERVICE DIVERSION.

SECTION 1.0 – RATE SCHEDULE (Continued)

EQUIPMENT DAMAGE FEE.....Actual Cost

THE UTILITY MAY CHARGE FOR ALL LABOR, MATERIAL, EQUIPMENT AND ALL OTHER ACTUAL COSTS NECESSARY TO REPAIR OR REPLACE ALL EQUIPMENT DAMAGED DUE TO NEGLIGENCE, METER TAMPERING OR BYPASSING, OR SERVICE DIVERSION. THE UTILITY MAY CHARGE FOR ALL ACTUAL COSTS NECESSARY TO CORRECT SERVICE DIVERSION OR UNAUTHORIZED TAPS WHERE THERE IS NO EQUIPMENT DAMAGE, INCLUDING INCIDENTS WHERE SERVICE IS RECONNECTED WITHOUT AUTHORITY. AN ITEMIZED BILL WILL BE PROVIDED TO THE CUSTOMERS.

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT1/6TH 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.

TEMPORARY WATER RATE:

UNLESS OTHERWISE SUPERSEDED BY PUC ORDER OR RULE, IF THE UTILITY IS ORDERED BY A COURT OR GOVERNMENT BODY OF COMPLETE JURISDICTION TO REDUCE ITS PUMPAGE, PRODUCTION OR WATER SALES, THE UTILITY SHALL BE AUTHORIZED TO INCREASE ITS APPROVED GALLONAGE CHARGE ACCORDING TO THE FORMULA:

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

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 16 TAC § 24.25(j).

SECTION 1.0 – RATE SCHEDULE (Continued)

WATER PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT:

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

$$\text{WPC} = (E + (AP - AC + PY)) / (ME \times AU)$$

Where:

- WPC = Water Pass-Through Gallonage Charge per 1,000 gallons, rounded to the nearest cent
- E = Projected sum for upcoming 12 months of purchased water and district costs
- AP = Actual payments by Utility for prior 12 months for purchased water and district costs
- AC = Actual collections by Utility in prior 12 months from the previously approved water pass-through gallonage charge
- AP-AC = Difference between actual payments and actual collections from the previously approved water pass-through gallonage charge for the prior 12 months.
- PY = Prior year under- or over- collections
- ME = Year end meter equivalents
- AU = Average annual usage per meter equivalent, in 1,000 gallons, from most recent rate case

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

To implement, all notice requirements must be met. The utility may begin to charge the new filed WPC on the proposed effective date in the notice. Implementation of this WPC adjustment provision shall be governed by 16 TAC § 24.25(b)(2).

With each annual WPC adjustment, the utility must file a true-up report with the Commission that shows the calculation for the next 12-month WPC reflected in the notice. The report shall contain up to five years' worth of data, as available, showing the annual and accumulated difference between WPC amounts collected from customers and amounts actually paid to the entities whose charges are included in the WPC. The report shall also show how the new WPC was calculated according to the adjustment formula above