

Dear Valued Customer,

At Texas Water Company (TWC), we appreciate you being a customer and want you to know that we are working daily to demonstrate our commitment to serving you by providing you with reliable, high-quality service. As part of a comprehensive and ongoing program to address much-needed upgrades to our systems that enable us to continue meeting your needs, we have invested over \$80 million dollars for customers since January 2020. While we understand that no one likes to see our costs increase, we have made a filing at the Texas Public Utility Commission (PUC) to recover the costs associated with these important system improvements.

How Your Payments Support Improvements:

- **60% – Infrastructure Replacement:** The majority of funds are allocated to replacing aging water mains, tanks, pumps, and motors. This work helps reduce leaks and improve the reliability of your water service.
- **30% – Treatment Facility Upgrades:** A significant portion goes toward upgrading treatment plants and filters. These enhancements keep your water clean and safeguard both your health and the environment.
- **10% – Planning and Compliance:** The remaining funds are invested in planning, design, and ensuring we meet state requirements for water and wastewater services.

System Improvement Fee and Customer Impact

To cover the expenses associated with these vital upgrades, we have submitted a request to the Texas Public Utility Commission (PUC) for approval of a System Improvement Fee. The PUC will thoroughly review our filing to confirm that any fee adjustments are fair and reasonable for our customers. Therefore, you will not see a change to your bill for at least a few months. We understand that increases in costs can be challenging. We want to assure you that every dollar collected through this fee is invested directly into reinforcing the water system that you rely on every day.

Thank you for being a Texas Water customer.

Sincerely,

Texas Water Company

Important Notice: Proposed Changes to Your Water Charges

Dear Customer,

On October 6, 2025, Texas Water Company (TWC) filed a request with the Public Utility Commission of Texas (PUC) to amend its System Improvement Charges (SICs) for water and wastewater services. The application has been assigned Docket No. 58739. The proposed SICs are requested in accordance with Texas Water Code § 13.183(c) and 16 Tex. Admin. Code § 24.76.

What This Means for You

This request is part of our ongoing efforts to recover costs for infrastructure improvements to enhance service reliability and quality that were made between January 1, 2020 and July 31, 2025. This infrastructure is not already included in rates, and the costs recovered through the SICs are subject to reconciliation in TWC's next comprehensive base rate case.

The proposed SICs would result in total annual SIC revenues of \$10,234,509 for water and \$540,421 for wastewater. The impact of this rate change on customers will vary depending on their meter size. The SICs are flat monthly charges that are in addition to other monthly rates for water and wastewater utility service.

The proposed SICs are as follows:

	Water SIC	
Meter Size	Current Rate	Proposed Rate
5/8"	\$13.19 per month	\$24.64 per month
3/4"	\$19.78 per month	\$36.95 per month
1"	\$32.97 per month	\$61.59 per month
1 1/2"	\$65.94 per month	\$123.18 per month
2"	\$105.51 per month	\$197.09 per month
3"	\$197.83 per month	\$369.55 per month
4"	\$329.72 per month	\$615.91 per month

The proposed SICs would result in the total average bills as shown in the following page(s)

Latigo Ranch WATER TARIFF

5/8" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$28.00	\$10.00	\$24.64	\$62.64
10,000	\$28.00	\$23.00	\$24.64	\$75.64
20,000	\$28.00	\$50.50	\$24.64	\$103.14

3/4" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$28.00	\$10.00	\$36.95	\$74.95
10,000	\$28.00	\$23.00	\$36.95	\$87.95
20,000	\$28.00	\$50.50	\$36.95	\$115.45

1" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$46.76	\$10.00	\$61.59	\$118.35
10,000	\$46.76	\$23.00	\$61.59	\$131.35
20,000	\$46.76	\$50.50	\$61.59	\$158.85

1 1/2" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$93.24	\$10.00	\$123.18	\$226.42
10,000	\$93.24	\$23.00	\$123.18	\$239.42
20,000	\$93.24	\$50.50	\$123.18	\$266.92

2" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$149.24	\$10.00	\$197.09	\$356.33
10,000	\$149.24	\$23.00	\$197.09	\$369.33
20,000	\$149.24	\$50.50	\$197.09	\$396.83

3" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$224.00	\$10.00	\$369.55	\$603.55
10,000	\$224.00	\$23.00	\$369.55	\$616.55
20,000	\$224.00	\$50.50	\$369.55	\$644.05

4" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$280.00	\$10.00	\$615.91	\$905.91
10,000	\$280.00	\$23.00	\$615.91	\$918.91
20,000	\$280.00	\$50.50	\$615.91	\$946.41

The proposed rate change will not take effect until the PUC issues an order adopting the proposed SICs. All TWC water and wastewater customers receiving service under certificates of convenience and necessity numbers 10692 and 20877 will be affected by this request.

Persons with questions or who want more information on this filing may contact TWC's customer service team at 830-312-4600 during normal business hours or by email at customerservice@txwaterco.com. A copy of this application is available for inspection at 6000 FM 2673, Canyon Lake, Texas 78133 or online via the PUC's Interchange Filer using the docket number for this proceeding, Docket No. 58739.

If you wish to comment on the application or participate in this proceeding as an Intervenor, you must complete the attached form and file it with the PUC. The deadline to file an intervention is 25 days after service of this notice, or **October 31, 2025**. Your request to intervene should be filed electronically and should include your email address so other parties may notify you when they make filings in this case. Please do not file your intervention confidentially.

Instructions for electronic filing via the "PUC Filer" on the Commission's website can be found here: <https://interchange.puc.texas.gov/filer>. PUC Interchange Filer Instructions are also available here: <https://www.puc.texas.gov/industry/filings/e-filing%20instructions.pdf>. For assistance with your electronic filing, please contact the PUC's Help Desk at (512) 936-7100 or ITServiceDesk@puc.texas.gov. You can access materials filed in this docket via the PUC Interchange using the filing search available at <https://interchange.puc.texas.gov/> and entering "58739" in the field labeled Control Number.

In addition to TWC's customer service team, you may call the PUC's Customer Assistance Hotline at (888) 782-8477. Hearing- and speech- impaired individuals with text telephones (TTY) may contact the PUC through Relay Texas at 1-800-735-2989.

While the preferred method is for you to submit your request for intervention electronically, if you are unable to do so, you may mail 10 copies of the request to:

**Public Utility Commission of
Texas Central Records
Attn: Filing Clerk
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326**

Persons who wish to intervene in this docket must also mail or email a copy of their request for intervention to all parties in the docket and all persons that have pending motions to intervene, at or before the time the request for intervention is mailed to the PUC. In addition to the intervention deadline, other important deadlines may already exist that affect your participation in this docket. You should review the orders and other filings already made in the docket.

Persons may file comments on TWC's application without requesting to intervene using the filing procedures described above. Unlike intervenors, commenters will NOT be considered a party to this case, comments will not be considered evidence in this case, and commenters will have no

PUC Docket No. 58739

Notice of System Improvement Charge Amendment Application

further obligation to participate in the proceeding. Public comments may help inform the PUC of public concerns and identify issues to be explored. The attached form is designed so you can indicate whether you wish to comment or intervene.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

PUC DOCKET NO. 58739
RATEPAYER REQUEST TO INTERVENE

If you wish to COMMENT ON Texas Water Company's System Improvement Charge (SIC) application or INTERVENE in Texas Water Company's SIC application proceeding, you must complete this form and file it electronically using the PUCT Interchange Filer (<https://www.puc.texas.gov/industry/filings/e-filing%20instructions.pdf>) or mail the original to:

Filing Clerk
Public Utility Commission of Texas 1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CUSTOMER INFORMATION (please provide all of the requested information)

First Name: _____ Last Name: _____

Phone Number: _____ Fax Number: _____

Email Address: _____

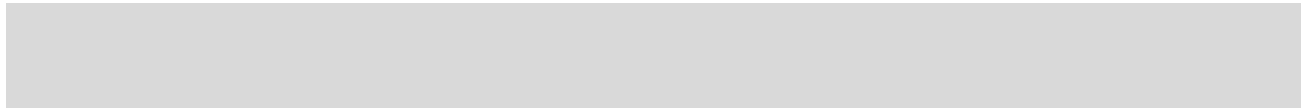
Address, City, State: _____

Location where service is received: _____
(if different from the mailing address)

Please fill out the following:

I wish to be a COMMENTER. I understand that: I am NOT a party to this case; my comments are not considered evidence in this case; and I have no further obligation to participate in the proceeding. Public comments may help inform the PUCT of the public concerns and identify issues to be explored. Please provide comments below. Attach a separate page, if necessary.

I am requesting to INTERVENE in this proceeding. As an INTERVENOR, I understand that: I am a party to the case; I am required to respond to all discovery requests from other parties; I may be required to attend hearings, and if I file testimony, I may be cross-examined in the hearing; if I file any documents in the case, I must provide a copy to every other party in the case; and I acknowledge that I am bound by the Procedural Rules of the PUCT and the State Office of Administrative Hearings (SOAH).



Signature of Ratepayer:

_____ Date: _____

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

**Hearing- and speech-impaired individuals may contact the PUCT through
Relay Texas at 1-800-735-2989.**