

CUSTOMER NOTICE: The Presiding Officer in Public Utility Commission of Texas Docket No. 46256 previously established the following phased interim rates to be in effect until the final decision on the requested rate change or another interim rate is established. You are hereby notified in accordance with 16 Texas Administrative Code § 24.34(b)(5) that the Phase Two rates shown below will be implemented effective August 1, 2018 as new interim rates.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates - Interim Rates Effective August 1, 2017¹

Flat Monthly Service Rates:

RATES	Phase One 8/1/17	Phase Two **	Phase Three 8/1/19
Tall Timbers Inside City Base Equivalent Rate (BER)	\$41.63	\$62.45	\$65.60
Tall Timbers Outside City (Single Family Residential)	\$54.93	\$62.45	\$65.60
Tall Timbers Outside City Base Equivalent Rate (BER)	\$56.18	\$62.45	\$65.60

**The Phase Two rates would go into effect on the later of 8/1/18 or on the date applicable for the compliance filing for the Phase II plant pursuant to 16 TAC 24.34(b).

Rate Case Expense Surcharge: \$3.59 per month per connection for 2 years or until recovery of \$300,000.00.

Other Residential – the flat monthly rate equals the BER multiplied by the following factors:

Duplexes	0.62 per unit
Triplexes and Quadplexes	0.68 per unit
Apartments and condos with 5 or more units	0.55 per unit
Mobile home park	0.68 per space
Transient mobile home park	0.55 per space

Institutional – the flat monthly rate equals the BER multiplied by the following factors:

Schools with Showers	1.00 per 12 attendees
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¹ These interim rates were agreed to by the parties in Public Utility Commission Docket No. 46256.

Schools without Showers	1.00 per 15 attendees
Hospital	0.89 per bed
Nursing Home	0.45 per bed

Commercial – the flat monthly rate equals the larger of: 1) 80 percent of the actual water meter usage as supplied by the water utility or 2) the BER multiplied by the following factors:

Restaurant (fast food and/or disposal)	1.12 per table or 3 minimum
Restaurant (sit down and/or dishwashers)	0.45 per table or 3 minimum
Motel without restaurant	0.50 per unit
Motel with restaurant	0.50 per unit plus 0.45 per table
Laundromat	2.00 per washer
Commercial Laundry	3.00 per washer
Retail Space	1.50 per space
Service Station without bays	1.50 per facility
Service Station with bays	1.50 per facility plus 6.96 per service bay
Grocery without butcher	1.50 per facility
Grocery with butcher	2.00 per facility plus 4.18 per facility
Carwash, self service	1.50 per bay
Churches	1.50 per 200 person capacity in main sanctuary or meeting room
Golf Course with showers	1.0 per 30 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)
Golf Course without showers	1.0 per 50 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)

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

Cash , Check , Money Order , Credit Card , Other (specify) Visa/Master Card Credit Card/Only;
Electronic Draft Available Upon Request

(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. CASH PAYMENTS MUST BE MADE AT LOCAL OFFICE.)

REGULATORY ASSESSMENT1.0%

THE PUBLIC UTILITY COMMISSION (COMMISSION) RULES REQUIRE THE UTILITY TO COLLECT AND REMIT TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fee

TAP FEE..... \$1,100.00

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

TAP FEE (Large Connection Tap).....Actual Cost
 TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

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 \$25.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

TRANSFER FEE/ACCOUNT ESTABLISHMENT FEE \$50.00
 THE TRANSFER FEE/ACCOUNT ESTABLISHMENT FEE WILL BE CHARGED FOR EITHER CHANGING AN ACCOUNT NAME OR ESTABLISHING A NEW ACCOUNT AT THE SAME SERVICE LOCATION.

LATE CHARGE \$5.00
 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 \$30.00

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

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

SERVICE RELOCATION FEE.....Actual Cost to Relocate that Service Connection
 THIS FEE MAY BE CHARGED IN 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:

Increase 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 16 TAC 24.21(b)(2)(F)(ii) when authorized by the Commission and after notice to customers.