



Dear Valued Customer,

At Texas Water Company (TWC), we appreciate you being a customer and want you to know that we are working hard 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 \$50 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. Below, we outline some of the ways these dollars are put to work to directly benefit you:

Making Supply More Resilient, Enhancing Water Service & Modernizing the System

- **New Generators at Critical Facilities:** Enhances system resiliency to ensure uninterrupted water supply, even during power outages.
- **Replacement of Water Mains:** Reduces leaks and water loss, providing cleaner and more reliable water to your home.
- **New Storage Tanks:** Increases storage capacity to help support a more consistent supply of water, even during high-demand periods, and maintains access to clean water in all conditions.
- **Booster Station Upgrades:** Improves water pressure and service reliability and helps proactively prevent unexpected service disruptions.

Advancing Wastewater Services to Serve You Better

- **Upgraded Wastewater Treatment Plants:** Increasing capacity from 18,000 to 60,000 gallons per day, which provides more reliable and safer wastewater treatment that protects public health and the environment.
- **Replacement of Carbon Filters:** Effectively removes chlorine and organic compounds and helps prevent odors.
- **Replacement of Pumps and Motors:** Improving efficiency and performance across the wastewater system.

All of these investments demonstrate that we remain keenly focused on serving you better and are crucial for maintaining and improving the quality of service you rely on and deserve. For more information about the charges, please refer to the enclosed notice.

Thank you for being a Texas Water customer.

Notice of System Improvement Charge Application

On September 12, 2024, Texas Water Company (TWC) filed an application to amend its water and wastewater System Improvement Charges (SICs) with the Public Utility Commission of Texas (PUC). The application has been assigned Docket No. 56974. The proposed SICs are requested in accordance with Texas Water Code § 13.183(c) and Tex. Admin. Code § 24.76.

A SIC allows a utility to recover the portions of its eligible plant allowed as reconcilable costs that are not already included in rates, subject to reconciliation in the utility’s next comprehensive base rate case. TWC is seeking recovery and return on reconcilable costs for water and wastewater investments incurred from January 1, 2020 to June 30, 2024, as well as authorized tax and depreciation expenses for those assets not already being recovered through rates.

The proposed SICs would result in total annual SIC revenues of \$5,688,907 for water and \$230,660 for wastewater. The impact of the rate change on customers will vary depending on their meter size. A SIC is a monthly charge that is in addition to other monthly rates for water and wastewater utility service.

The proposed SICs are as follows:

Meter Size	Water SIC
5/8"	\$13.67 per month
5/8" x 3/4"	\$13.67 per month
3/4"	\$20.50 per month
1"	\$34.17 per month
1 ½" or 1.5"	\$68.35 per month
2"	\$109.36 per month
3"	\$205.05 per month
4"	\$341.75 per month
6"	\$683.49 per month

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

TWC 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	\$41.50	\$25.30	\$13.67	\$80.47
10,000	\$41.50	\$53.70	\$13.67	\$108.87
20,000	\$41.50	\$125.50	\$13.67	\$180.67

3/4" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$62.25	\$22.20	\$20.50	\$104.95
10,000	\$62.25	\$50.60	\$20.50	\$133.35
20,000	\$62.25	\$107.40	\$20.50	\$190.15

1" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$103.75	\$20.65	\$34.17	\$158.57
10,000	\$103.75	\$47.50	\$34.17	\$185.42
20,000	\$103.75	\$104.30	\$34.17	\$242.22

1.5" or 1 1/2" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$207.50	\$35.90	\$68.35	\$311.75
10,000	\$207.50	\$71.80	\$68.35	\$347.65
20,000	\$207.50	\$143.60	\$68.35	\$419.45

2" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$332.00	\$35.90	\$109.36	\$477.26
10,000	\$332.00	\$71.80	\$109.36	\$513.16
20,000	\$332.00	\$143.60	\$109.36	\$584.96

3" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$622.50	\$35.90	\$205.05	\$863.45
10,000	\$622.50	\$71.80	\$205.05	\$899.35
20,000	\$622.50	\$143.60	\$205.05	\$971.15

4" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$1,037.50	\$35.90	\$341.75	\$1,415.15
10,000	\$1,037.50	\$71.80	\$341.75	\$1,451.05
20,000	\$1,037.50	\$143.60	\$341.75	\$1,522.85

6" Meter

<u>Gallons</u>	<u>Base Charge</u>	<u>Usage Charge</u>	<u>SIC Rider</u>	<u>Total</u>
5,000	\$2,075.00	\$35.90	\$683.49	\$2,794.39
10,000	\$2,075.00	\$71.80	\$683.49	\$2,830.29
20,000	\$2,075.00	\$143.60	\$683.49	\$2,902.09

The effective date of the proposed rate change would be the date that a PUC order adopting the proposed SICs is issued. If no hearing is requested, TWC has requested that the PUC set this matter for the earliest open meeting possible and adopt an order approving the proposed SICs after the intervention period ends. All TWC water and wastewater customers receiving service under certificate of convenience and necessity numbers 10692 and 20877 will be affected by this request.

PUC Docket No. 56974

Notice of System Improvement Charge Amendment Application

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 complete copy of this application is available for inspection at 1399 Sattler Rd., Canyon Lake, Texas 78132.

The PUC has assigned Docket No. 56974 to this proceeding. If you wish to contest the proposed system improvement charge (SIC) application as an Intervenor, you must complete the attached form and file it. The deadline to file an intervention is 25 days after service of this notice, or October 7, 2024. 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>. Once you obtain a tracking sheet associated with your filing from the PUC Filer, you may e-mail the tracking sheet and the document you wish to file to: centralrecords@puc.texas.gov. For assistance with your electronic filing, please contact the Commission's Help Desk at (512) 936-7100 or helpdesk@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 typing in Control Number 56974.

In addition to the utility's contact listed in this notice, you may call the Commission's Customer Assistance Hotline at (888) 782-8477. Hearing- and speech- impaired individuals with text telephones (TTY) may contact the PUC at (512) 936-7136 by first dialing 1-800-735-2989 or 7-1-1

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 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. 56974
Notice of System Improvement Charge Amendment Application**

PUC DOCKET NO. 56974
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 PUC 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).

Please provide specific issues below. Attach a separate page, if necessary.

Signature of Ratepayer: _____

_____ Date: _____

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

**Hearing- and speech-impaired individuals with text telephones may contact the PUCT's
Customer Assistance Hotline at 512-936-7136**

PUC Docket No. 56974
Notice of System Improvement Charge Amendment Application