



June 18, 2008 Agenda because such an approach will not generate the revenue requirement approved by the Commission. Such an approach is also inappropriate and inconsistent with past TCEQ practice, including other recommendations made by the TCEQ ED in this case.

With all of the major issues in this case now resolved by Commission directives, we believe that if the ALJs follow the ED's long-standing practice of calculating rates based on active connections, as well as its practice of using active connections in this case (for all other purposes), Aqua Texas will appropriately receive rates that recover Aqua Texas' revenue requirement. That – after all – is the purpose of the rates. In that regard, there are three key facts that the ALJs should consider concerning the use of active rather than total connections for ratemaking. First, active connections have always been used by the TCEQ for conventional unphased ratemaking. Second, the number of active connections in this case is not and never has been disputed. Third, the Commission-approved revenue requirement can only be recovered using active connections.

**I. Active connections have long been used for TCEQ ratemaking and use of active connections for TCEQ ratemaking continues today.**

It is the TCEQ's long-standing practice to use active connections for rate calculations, and the use of active connections for rate calculations continues today. The Executive Director acknowledged this fact in the March 19, 2008 TCEQ Agenda meeting.

For example, in conventional rate making (*i. e.*, not alternative ratemaking, such as the phased rates Aqua Texas proposed in its Rate/Tariff Change Application), the TCEQ's rate change application form calls for active, not total, connection counts. Both the former and current version of the TCEQ's "Application for a Rate/Tariff Change" form call for the use of *active connections* in conventional unphased rate calculation. The TCEQ's prior version of that form states: "[h]ow many customers (active connections) did you have at the beginning and at the end of the twelve

month test year?" AT -1 at AT 102454.<sup>1</sup> That language was carried over to the TCEQ's current version of the Application for a Rate/Tariff Change form unchanged, as seen in Exhibit A. Those forms then use active connections to generate conventional unphased rates that recover the revenue requirement.

The forms' use of the term "customer" as equivalent to "active connections" is not accidental. The TCEQ's rules define the term "customer" as "[a]ny person . . . provided with services by any retail public utility." 30 TEX. ADMIN. CODE § 291.3(15). The "services" rendered are defined as "[p]otable water service or sewer service, or both, provided . . . to the ultimate consumer *for compensation*." 30 TEX. ADMIN. CODE § 291.3(40) (emphasis added). For ratemaking, the TCEQ's Application for a Rate/Tariff Change calls for "customers (active connections)," because utilities do not provide service for compensation to, and cannot recover revenue from, inactive connections.

## **II. Aqua Texas' active connection numbers are not disputed.**

There is no dispute about the correct number of active connections. The ED's rate sheet in Response to Order No. 51 accurately states the number of active connections by region. Those active connection counts reflect data Aqua Texas provided to the ED's staff years ago (during the on-site audit in 2005) and which the staff consistently used in making other adjustments and calculations. In particular, Aqua Texas furnished the ED with extensive data (a system-by-system print out) that reflected its active connections as of December 31, 2003, as well as a chart summarizing that system-by-system data. During his deposition, Mr. Adhikari acknowledged that the staff had "documents [] from Aqua Texas where it says the number of active connections." Adhikari Depo. at 81, l. 24-25. (Attached as Exhibit B.)

---

<sup>1</sup> Aqua Texas' Rate Application used alternative ratemaking methodology to generate phased rates and a deferred expense/recovery plan, rather than conventional unphased rate calculation.

Mr. Adhikari also testified that the staff relied upon the "active number of connections at the end of 2003," in making adjustments to rate base and expenses for settled customers. Adhikari Depo. at 83, l. 12-13. (Attached as Exhibit C). That chart summarizing the number of active (as well as inactive and total) connections was even discussed during Mr. Adhikari's and Ms. Pascua's depositions and was a deposition exhibit. See Exhibit D (summary chart identifying active connections by system, which was Deposition Exhibit 13, during the depositions of Mr. Adhikari and Ms. Pascua). Mr. Adhikari's prefiled testimony confirms that he used active customer connections as the basis for his settlement-related adjustments. For instance, the number of customers Mr. Adhikari subtracted for the settled Pine Trails system was, "1,783 water customers," the same number of active water connections as of December 31, 2003, reflected in Exhibit D. Compare Adhikari Revised Prefiled at 14, l. 17, with Exhibit D at 6.

The ED's removal of active customers from settled systems was not approved by the Commission at the June 18, 2008 Agenda. The use of active connections for some purposes in this case while using total connections for others is inconsistent and inappropriate. Since they are undisputed, Aqua Texas' active connection numbers should be used for all ratemaking purposes in this case.

**III. Active connections must be used for complete recovery of Aqua Texas' revenue requirement.**

Without using the correct number of active connections, Aqua Texas cannot recover the revenue requirement that the Commission has determined is needed. By contrast, total connection counts, which include inactive connections that are *not billed*, cannot be substituted in place of the number of active connections as a billing determinant. If total rather than active connections are used, the resulting rates will *necessarily fail* to recover the revenue requirements that the Commission has determined is appropriate because they are not being billed to customers.

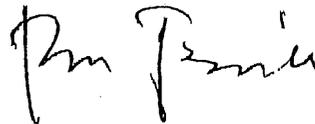
Because a utility the size of Aqua Texas always has higher total connections than active connections (due to unbuilt homes, delinquent customers, vacant homes, disconnects, etc.), basing rates on total connection counts will always result in significant underrecovery of the utility's revenue requirement. Stated differently, rates are presumed to be earnable. If use by "customers" whose homes are vacant, are disconnected due to non-payment, or who do not exist is assumed in setting rates, rates will be established at a lower level than will allow for full recovery of a utility's revenue requirement.

**IV. Summary**

The Commission has set the revenue requirement that Aqua Texas needs to sustain its operations. The TCEQ has long used active connections as the basis for generating rates because only active, bill-paying customers can generate a utility's revenue requirement. Here, there is no dispute about the number of active customers that Aqua Texas had at the end of the 2003 test year. The only way Aqua Texas can recover the Commission-approved revenue requirement is through use of the undisputed number of active connections to generate rates, as reflected in the ED's July 1, 2008 proposed rates that incorporate active rather than total connections.

**Respectfully submitted,**

**THE TERRILL FIRM, P.C.**



By: \_\_\_\_\_

Paul M. Terrill III  
State Bar No. 00785094  
810 West 10<sup>th</sup> Street  
Austin, Texas 78701  
Tel: (512) 474-9100  
Fax: (512) 474-9888

**ATTORNEYS FOR AQUA UTILITIES, INC.  
AND AQUA DEVELOPMENT, INC. d/b/a AQUA  
TEXAS, INC.**

CERTIFICATE OF SERVICE

I hereby certify that on July 8, 2008, a true and complete copy of the foregoing was sent to the following by the indicated method:

<b>Parties</b>	<b>Representative / Address</b>	
STATE OFFICE ADMINISTRATIVE HEARINGS	Craig R. Bennett Travis Vickery Administrative Law Judges State Office of Admin. Hearings 300 West 15th Street Suite 502 Austin, TX 78701	<i>via fax: 475-4994</i>
SOAH Docket Clerk	Docket Clerk State Office of Admin. Hearings 300 West 15th Street, Suite 502 Austin, TX 78701	<i>via fax: 475-4994</i>
TCEQ Chief Clerk	Office of the Chief Clerk, TCEQ 12100 Park 35 Circle Bldg. F/1, Room 1104 Austin, Texas 78753	<i>via fax: 239-3311</i>
TCEQ Executive Director	Todd Galiga Executive Director, TCEQ MC-175 P.O. Box 13087 Austin, TX 78711-3087	<i>via fax: 239-0606</i>
Office of Public Interest Counsel of TCEQ	Scott Humphrey TCEQ, OPIC MC-103 P.O. Box 13087 Austin, TX 78711-3087	<i>via fax: 239-6377</i>
Estates of Shady Hollow HOA; Comanche Cliffs HOA; Kerr and Kendall Counties Falling Water POA; The Reserve at Falling Water POA; Cypress Springs Estates POA; Kendall Pointe POA; Onion Creek Meadows POA	Ed McCarthy Jackson Sjoberg McCarthy & Wilson L.L.P. 711 West 7th St. Austin Texas 78701	<i>via fax: 225-5565</i>

CHIEF CLERKS OFFICE

2008 JUL -8 PM 4: 56

TEXAS  
COMMISSION  
ON ENVIRONMENTAL  
QUALITY

**Parties**

**Representative / Address**

Eagle Creek Ranch OA

Linda Lamberth  
912 Eagle Creek Dr.  
Floresville, TX 78114

*via e-mail:*  
sinanju@ix.netcom.co  
m

Southeast Region Homeowners  
Group (CIA of Shadow Bay; Cedar  
Point HOA; Lake Conroe Village  
HOA; Brentwood Residents; Port  
Adventure HOA; Lake Livingston  
Village HOA; and numerous  
individual customers

Gayle Pierce  
14188 Shadow Bay Dr.  
Willis, TX 77318-7405

*via e-mail:*  
MGPierceRV@msn.c  
om

Ed McCarthy  
Jackson Sjoberg McCarthy &  
Wilson L.L.P.  
711 West 7th St.  
Austin Texas 78701

*via fax: 225-5565*

Crighton Ridge Homeowners  
Association

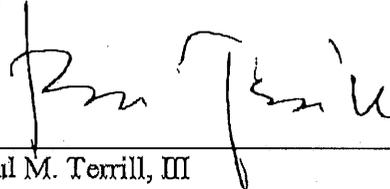
Judith Weidner  
13231 Ridgewater Way  
Conroe, TX 77302-3468

*via first-class mail*

Barton Creek Lakeside POA

Byron Zinn  
120 Hidden Springs Ct.  
Spicewood, TX 78669

*via first-class mail*



Paul M. Terrill, III



**APPLICATION FOR A  
RATE/TARIFF  
CHANGE**

**B. KNOWN & MEASURABLE**

If you listed anything in **TABLE VI. A.** above as an increase/decrease expected in the next 12 months, please provide a short explanation by item why there will be a change and how you projected the cost. Changes in cost must be known and measurable and supported by invoices or other documentation.

-Attach additional sheet(s) or a separate listing for sewer service if necessary-

**SECTION VII - CUSTOMER INFORMATION - WATER**

**NUMBER OF CUSTOMERS**

How many customers (active connections) did you have at the beginning and at the end of the twelve month test year?

**TABLE VII**

Connection Type	Line	Beginning of period ①	End of period ②	Equivalency Factor ③	Meter Equivalents ④=②*③
<b>Non-Metered Connections:</b>					
Residential	[A]			1	
Commercial	[B]			1	
Standby	[C]			1	
<b>Metered Connections:</b>					
5/8" x 3/4"	[D]			1	
3/4"	[E]			1.5	
1"	[F]			2.5	
1 1/2"	[G]			5	
2"	[H]			8	
3"	[I]			15	
Other:	[J]				
Total	[K]				⑤

⑤ To Table IX. B., Line [B] AND Table X. A., Line [F]



1 25 1 the before. What is the after rate after making  
11:25 2 that adjustment?  
11:25 3 A. Now it's \$30.48.  
11:25 4 Q. And that was about a dollar --  
11:25 5 A. Forty-one.  
11:25 6 Q. 1.41?  
11:25 7 A. Approximately, yeah.  
11:25 8 Q. Okay. Is that 11.63 percent more in line with  
11:26 9 what you saw for the other regions --  
11:26 10 A. Yes.  
11:26 11 Q. -- for line loss?  
11:26 12 A. Yes.  
11:27 13 Q. Okay. Next item of business. Can you explain  
11:27 14 to me how you made adjustments for the settlements that  
11:27 15 have taken place in this case in -- in the three rate  
11:27 16 regions? Actually, four.  
11:27 17 A. Okay. For the settled system, what I did was I  
11:27 18 figured out how many customers in total were there in that  
11:27 19 particular system and how many out of that are settled and  
11:27 20 took the percentage and used the same percentage to  
11:27 21 separate out.  
11:27 22 Q. Okay. What did you use for your customer  
11:27 23 counts?  
11:28 24 A. I think we have some documents listed from Aqua  
11:28 25 Texas where it says number of active connections. And we



83

11:29 1 out, am I correct in assuming that having an accurate  
11:29 2 customer count is important to getting the right result  
11:29 3 for both the rate base and the resulting rates?

11:29 4 A. That's right.

11:29 5 Q. What would happen if too many customers were  
11:29 6 taken out? How would that affect the rates?

11:30 7 A. Well, if too many people are taken out, then the  
11:30 8 rate will -- well, I guess that depends.

11:30 9 Q. What -- when did you -- on your customer counts,  
11:30 10 what was the timing of your customer counts? At what  
11:30 11 point in the year were you keying off of?

11:30 12 A. I think we used this number of active  
11:30 13 connections at the end of 2003, which was a test year.

11:30 14 Q. Did you compare that customer count to the  
11:30 15 beginning of the test year, January 1 of 2003?

11:30 16 A. I think we have like active connection at the  
11:30 17 end of 2003 and for 2004, that way I believe. And I used  
11:30 18 the number from the end of 2003, which is December '03, I  
11:30 19 guess.

11:30 20 Q. Okay. Did you -- let me ask my question again.  
11:30 21 I'm going to ask it chronologically. Did you look at a  
11:31 22 customer count for January 1 of 2003, the beginning of the  
11:31 23 test year?

11:31 24 A. I don't remember in which format we had that  
11:31 25 customer numbers. If it's in there, then I should have

Dec-03

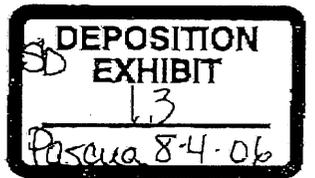
System	Co - Route	Active WT	Inactive WT	Total WT	Active WW	Inactive WW	Total WW	Billed Usage (1,000)	Pumpage (1,000)	Water Accountability
AGNES	1101-01	20	3	23	-	-	-	75		
ASHCREEK ACRES	1101-02	101	14	115	-	-	-	606		
AVONDALE HEIGHTS - W/C Avondale Heights CTX	1101-03									
AVONDALE HEIGHTS-CTX-W/C Avondale Heights	1101-04	142	24	166	-	-	-	886		
AZLE WEST FORTY	1101-05	16	5	21	-	-	-	75		
BENTWATER ON LAKE GRANBURY - W/C with North Fork Creek I	1101-06	194	6	200	-	-	-	1,403		
BLUE MOUND ESTATES	1101-07	34	-	34	-	-	-	199		
BRAZOS RIVER ACRES	1101-08	109	27	136	-	-	-	519		
BUFFALO GAP	1101-09	198	28	226	-	-	-	2,671		
WOODLAND HILLS	1101-10	37	-	37	-	-	-	250		
CANYON COUNTRY	1101-11	12	-	12	-	-	-	61		
CINNAMON RIDGE	1101-12	88	10	99	-	-	-	383		
WHIPPOORWILL BAY	1101-13	207	46	253	-	-	-	1,035		
COTTONWOOD	1101-14	78	9	87	-	-	-	490		
COUNTRY MEADOWS	1101-15	100	3	103	-	-	-	480		
DECATUR ACRES	1101-16	69	-	69	-	-	-	348		
DEER BUTTE	1101-17	68	5	73	-	-	-	331		
DOUBLE TREE ESTATES	1101-18	55	5	60	-	-	-	270		
DOVE HOLLOW	1101-19	60	3	63	-	-	-	345		
EAGLES NEST	1101-20	29	-	29	-	-	-	122		
EASTWOOD VILLAGE	1101-21	129	9	138	-	-	-	730		
FLAT ROCK	1101-22	33	2	35	-	-	-	203		
FOX HOLLOW/SANDY ACRES II	1101-23	-	-	-	-	-	-	-		
FOXBANE	1101-24	63	8	71	-	-	-	334		
FRF ESTATES	1101-25	92	12	104	-	-	-	458		
GARDEN ACRES	1101-26	26	3	29	-	-	-	122		
HANBY ACRES	1101-27	79	5	84	-	-	-	448		
HIGHLAND MEADOWS	1101-29	66	-	66	-	-	-	396		
HILL COUNTRY WAY ESTATES	1101-30	60	1	61	-	-	-	293		
WINDSOR	1101-31	28	-	28	-	-	-	139		
HUNTERWOOD	1101-32	77	16	93	-	-	-	283		
INDIAN TRAILS	1101-34	-	-	-	-	-	-	-		
KILLOUGH ADD	1101-36	29	6	35	-	-	-	167		
KINBROOK	1101-37	91	6	97	-	-	-	444		
KINGS REST	1101-38	25	3	28	-	-	-	163		
LA JUNTA	1101-39	32	2	34	-	-	-	149		
LAGO LINDO ESTATES	1101-40	39	15	54	-	-	-	187		
LAKE COUNTRY ACRES	1101-41	172	45	217	-	-	-	714		
LAZY BEND	1101-42	45	1	46	-	-	-	124		
LINKWOOD	1101-43	116	6	122	-	-	-	617		
LIVE OAK HILLS	1101-44	76	17	93	-	-	-	456		
LUNAR LANE	1101-45	224	30	254	-	-	-	1,120		
MALLARD POINTE	1101-46	102	4	106	-	-	-	729		
MEADOW LARK/NORTH FORK CREEK II	1101-47	117	21	138	-	-	-	630		
WILLOW WOOD	1101-48	111	22	133	-	-	-	501		
MESA RIDGE	1101-49	19	10	29	-	-	-	102		
MIDHAVEN ESTATES	1101-50	42	10	52	-	-	-	164		
MOUNTAIN VIEW ESTATES	1101-51	270	4	274	-	-	-	1,406		



Received: JUL/08/2008/TUE 04:59 PM The Terrill Firm

FAX No. 512 474 9888 Jul 8 2008 04:53pm

P. 013/019



NOLAN CREEK	1101-52	51	1	52	-	-	-	287		
NORTH FORK CREEK I - I/C with Bentwater	1101-53	46	4	50	-	-	-	222		
NORTH RIDGE ESTATES	1101-54	44	1	45	-	-	-	234		
OAKVIEW FARMS - I/C WITH SHADY MEADOWS	1101-56	76	1	77	-	-	-	344		
OLD CHISHOLM ESTATES	1101-57	70	2	72	-	-	-	330		
OLD STONEY ESTATES	1101-58	14	-	14	-	-	-	72		
STONE VALLEY FARMS - I/C SUNNY RANCHES & STONEY ACRES	1101-59	13	2	15	-	-	-	65		
PEACEFUL MEADOW	1101-60	36	-	36	-	-	-	185		
PONDER ACRES	1101-61	42	2	44	-	-	-	218		
RADECKE ROAD	1101-64	14	-2	16	-	-	-	64		
RANCH OAKS EAST - I/C with Ranch Oaks West	1101-65	181	18	197	-	-	-	1,050		
RANCH OAKS WEST - I/C with Ranch Oaks East	1101-66									
REMUDA RANCH	1101-67	57	5	62	-	-	-	281		
RIGGS PLACE- I/C SAGE MEADOWS	1101-68	70	12	82	-	-	-	386		
RIVER COUNTRY ACRES	1101-69	53	20	73	-	-	-	226		
ROCK HARBOR	1101-70	131	12	143	-	-	-	540		
SAGE MEADOWS - I/C RIGGS PLACE	1101-71	193	51	244	-	-	-	968		
SANDY ACRES I - I/C SANDY ACRES II	1101-72	57	6	63	-	-	-	284		
SANDY BEACH	1101-73	136	20	156	-	-	-	508		
SARATOGA ESTATES	1101-74	152	2	154	-	-	-	821		
SAVANNA ESTATES	1101-75	96	20	116	-	-	-	434		
SHADY HILLS	1101-76	42	-5	47	-	-	-	186		
SHADY MEADOWS - I/C WITH OAKVIEW FARMS	1101-77	39	10	49	-	-	-	225		
SHANGRI-LA	1101-78	93	17	110	-	-	-	535		
SILVER CREEK	1101-79	53	7	60	-	-	-	334		
SINGING MEADOWS	1101-80	36	6	42	-	-	-	199		
SLAY	1101-81	89	8	97	-	-	-	481		
SONGBIRD	1101-82	100	11	111	-	-	-	510		
SOUTHWOOD	1101-83	72	-	72	-	-	-	408		
SPANISH OAKS	1101-84	18	1	19	-	-	-	124		
SPRINGTOWN	1101-85	23	2	25	-	-	-	107		
SQUAW CREEK	1101-86	64	3	67	-	-	-	376		
STONEGATE PARK (Cycle 3)	1101-87	57	2	59	-	-	-	346		
WREN ESTATES	1101-88	181	16	177	-	-	-	738		
STRAWBERRY ESTATES	1101-89	39	4	43	-	-	-	178		
SUN VALLEY ESTATES	1101-90	78	9	87	-	-	-	419		
SUNCHASE	1101-91	86	22	108	-	-	-	490		
WILLOW SPRINGS- Was 1114-16	1101-92	44	14	58	-	-	-	234		
STONEY ACRES/SUNNY RANCHES/STONE VALLEY FARMS	1101-93	58	8	66	-	-	-	241		
SUNSET ACRES	1101-94	22	5	27	-	-	-	192		
SUNSHINE MEADOWS - I/C with Lexington	1101-95	161	26	187	-	-	-	694		
TANGLEWOOD ESTATES	1101-96	163	5	168	-	-	-	683		
TIMBERCREEK VALLEY	1101-97	48	9	57	-	-	-	198		
TRAIL CREEK	1101-98	139	13	152	-	-	-	668		
WALDEN ESTATES	1101-99	84	8	92	-	-	-	662		
BARROW	1102-01	92	10	102	-	-	-	592		
BUFFALO CREEK	1102-02	724	78	802	576	53	629	5,199		

7,918 1101

CLEAR LAKES	1102-03	319	29	348	-	-	-	1,230	
COASTAL ACRES I/C W CRAZY HORSE	1102-04	-	-	-	-	-	-	-	
COUNTRY WOOD/HAS PURCHASED WTR/CASH WATER	1102-05	74	20	94	-	-	-	268	
CRAZY HORSE-I/C COASTAL ACRES	1102-06	148	14	162	-	-	-	642	
CRESTWOOD	1102-07	210	25	235	7	2	9	847	
DOGWOOD	1102-08	134	11	145	-	-	-	830	
ENCHANTED LAKE ESTATES	1102-09	167	36	203	-	-	-	774	
FOREST LAKES	1102-10	107	1	108	-	-	-	586	
LAKE UTILITIES	1102-11	106	3	109	-	-	-	281	
MGM ESTATES	1102-12	42	2	44	-	-	-	209	
OAK RIDGE	1102-13	18	2	20	-	-	-	68	
PALESTINE 1/HAS TWIN OAKS & PARKSIDE VC	1102-14	624	90	714	-	-	-	2,146	
PARKSIDE SHORES I/C WITH PALESTINE 1	1102-16	145	33	178	-	-	-	491	
PHOENIX	1102-17	274	22	296	-	-	-	1,132	
QUINLAN NORTH	1102-18	57	8	65	-	-	-	219	
QUINLAN SOUTH	1102-19	37	4	41	-	-	-	175	
ROCKWALL ESTATES	1102-20	32	2	34	-	-	-	132	
TWIN OAKS I/C WITH PALESTINE 1	1102-21	-	-	-	-	-	-	-	
W.W.W.W.	1102-22	39	1	40	-	-	-	118	
HIGH POINT-was at 1101-28	1102-28	41	9	50	-	-	-	197	
BUFFALO GAP-IN CITY ONLY-See 1101-09	1108-01	4	-	4	-	-	-	18	3,790 1102
EASTWOOD PLAZA (All customers) aka East Park	1108-02	7	3	10	-	-	-	14	
EASTWOOD VILLAGE-See 1101-21 for Accountablilty	1108-03	12	3	15	-	-	-	49	
PLAZA EAST (All customers)	1108-04	23	3	26	-	-	-	81	
HIDDEN VALLEY (All customers)	1108-06	61	1	62	-	-	-	538	
LAKEWOOD RIDGE (All customers)	1108-06	-	28	28	-	-	-	-	
INDIAN CREEK	1108-07	-	18	18	-	-	-	-	163 1108
THE WOODLANDS	1109-01	44	3	47	-	-	-	235	
EAGLES BLUFF	1109-04	104	1	105	50	-	50	559	
GREENFIELDS ON SQUAW CREEK	1109-05	11	2	13	-	-	-	48	
HIGHLAND HILLS	1109-06	5	-	5	-	-	-	26	
PRAIRIE RIDGE	1109-07	53	-	53	-	-	-	346	
REATA ESTATES	1109-08	16	-	16	-	-	-	75	
CHISHOLM SPRINGS	1109-16	32	1	33	32	1	33	120	
HERITAGE ESTATES	1109-18	4	1	5	-	-	-	8	
MOUNTAIN LAKES	1109-19	66	2	68	-	-	-	184	
TREATY OAKS	1109-21	-	-	-	2	-	2	4	345 1109
LEXINGTON- I/C Sunshine Meadows	1112-09	54	3	57	-	-	-	196	57 1112
CARSON RANCH	1113-03	248	2	250	-	-	-	1,013	
NORTH FORK ADDITION	1113-10	197	2	199	-	-	-	1,297	449 1113
PENINSULA ON 1K GRAN	1114-02	49	1	50	-	-	-	424	
BOLING RANCH	1114-12	67	2	69	-	-	-	547	
DIAMOND RIDGE	1114-13	58	32	90	-	-	-	284	
PONDEROSA RANCH	1114-14	18	-	18	-	-	-	187	
VANZANDT FARMS	1114-15	197	2	199	-	-	-	1,818	426 1114
CHEROKEE POINT	1117-01	58	1	59	-	-	-	253	59 1117
THE RESORT	1121-11	58	1	59	49	1	50	343	59 1121
SHALE CREEK-Was 1109-03	1123-01	2	7	9	-	7	7	69	9 1123
BEHRINGER	1201-01	20	1	21	-	-	-	107	

Received: JUL/08/2008/TUE 05:00 PM The Terrill Firm

FAX No. 512 474 9888

P. 015/019

Jul 8 2008 04:53pm

CHINA SPRING	1201-02	509	40	549	-	-	-	3,646	
GOODALL	1201-03	51	2	53	-	-	-	349	
LAME DUCK	1201-04	50	3	53	-	-	-	280	
NORTH BOSQUE	1201-05	93	1	94	-	-	-	788	
NORTH COUNTY	1201-06	166	5	171	-	-	-	1,168	
RIVERCREST(VALLEY HILLS)	1201-07	86	3	89	-	-	-	556	
SMITH	1201-08	39	3	42	-	-	-	145	
TUBBS	1201-09	23	1	24	-	-	-	125	
WESTERN HILLS	1201-10	800	26	826	-	-	-	4,450	
BEAR CREEK	1203-01	88	-	88	-	-	-	558	
BEAR PAW	1203-02	53	-	53	-	-	-	301	
CHAPARRAL	1203-03	146	5	151	-	-	-	1,133	
CHERRY HOLLOW	1203-04	299	51	350	-	-	-	1,790	
CHERRY RIDGE	1203-05	23	1	24	-	-	-	106	
COMANCHE CLIFFS	1203-06	40	6	46	-	-	-	159	
COPPER HILLS	1203-07	43	1	44	-	-	-	634	
COUNTRY VIEW	1203-08	83	9	92	-	-	-	490	
EAGLE CREEK	1203-09	637	18	655	-	-	-	4,697	
ELMWOOD	1203-10	37	3	40	-	-	-	207	
ESTATES OF STONEGATE	1203-11	89	2	91	-	-	-	1,190	
FALLING WATER	1203-12	51	-	51	-	-	-	384	
GOFORTH	1203-13	-	-	-	92	20	112	-	
GOLDEN ACRES	1203-14	57	7	64	-	-	-	402	
GRANITE CREEK	1203-15	56	1	57	-	-	-	506	
GRUENE RIVER	1203-16	23	1	24	-	-	-	151	
OAK MEADOWS	1203-17	241	28	269	-	-	-	1,314	
HORSESHOE OAKS	1203-18	35	-	35	-	-	-	171	
KENDALL POINTE	1203-19	112	-	112	-	-	-	1,508	
ERLUND SUBDIVISION	1203-20	226	12	238	-	-	-	1,196	
LAKE VISTA	1203-21	265	70	335	-	-	-	1,008	
LAKESIDE	1203-22	178	2	180	117	-	117	1,858	
LAKEWOOD WATER	1203-23	172	7	179	-	-	-	1,050	
LEISUREWOOD	1203-24	448	-	448	-	-	-	4,081	
MEADOW WOODS	1203-25	482	8	490	-	-	-	3,848	
MOORELAND	1203-26	48	4	52	1	-	1	415	
NICKERSON FARMS	1203-27	49	3	52	-	-	-	397	
NORTHWEST HILLS	1203-28	92	-	92	-	-	-	597	
OAK FOREST SOUTH	1203-29	205	2	207	-	-	-	1,340	
ONION CREEK	1203-30	228	4	232	-	-	-	1,734	
PECAN VALLEY	1203-31	31	1	32	-	-	-	149	
REAL OAKS	1203-32	18	1	19	-	-	-	107	
RIVERCREST	1203-34	50	2	52	-	-	-	2,102	
SADDLEWOOD	1203-35	63	5	68	-	-	-	641	
SAN JULIAN	1203-36	24	-	24	-	-	-	150	
SANDY CREEK	1203-37	556	55	611	70	20	90	3,533	
SHADY HOLLOW ESTATES	1203-38	235	1	236	-	-	-	3,541	
SLEEPY HOLLOW	1203-39	58	3	61	-	-	-	625	
CENTER POINT TAYLOR	1203-40	150	25	175	-	-	-	1,392	
SOUTH SAN GABRIEL	1203-41	134	25	159	-	-	-	924	
SOUTHWEST TERRITORY	1203-42	100	1	101	-	-	-	938	
STONE GATE	1203-43	97	5	102	-	-	-	720	
TALUTEX	1203-44	287	1	288	-	-	-	2,846	
TEN WEST	1203-45	40	3	43	-	-	-	324	
BRENTWOOD	1203-46	152	3	155	141	2	143	1,011	
WALNUT HILLS	1203-47	178	8	186	-	-	-	1,091	

1,922

1201

NTOTAL  
15,197

Received:  
JUL/08/2008/TUE 05:00 PM The Terrill Firm

FAX No. 512 474 9888  
Jul 8 2008 04:53pm

P. 016/019

WOOD CREEK	1203-48	241	16	257	-	-	-	1,299	
CENTER POINT NORTH	1203-50	82	4	86	-	-	-	458	
INGRAM	1205-01	873	31	904	-	-	-	13,333	
INGRAM / IN CITY	1205-02	693	41	734	-	-	-	5,155	
WOODCREEK PHASE I	1206-01	753	21	774	460	22	482	6,933	
B & W GATHERING	1208-02	-	-	-	82	8	90	-	
CHINA SPRING	1208-03	15	2	17	-	-	-	77	
RIVERCREST	1208-04	194	4	198	-	-	-	5,439	
CYPRESS SPRINGS	1209-01	20	-	20	-	-	-	156	
Canyon Ridge Springs	1209-03	15	1	16	-	-	-	89	
CHINA SPRING RANCHES	1209-05	24	-	24	-	-	-	122	
SIERRA WEST	1209-08	49	-	49	-	-	-	253	
VALENTINE RANCH	1209-09	14	1	15	-	-	-	255	
BLUE MEDINA	1218-01	58	7	65	-	-	-	216	
PARK PLACE	1219-02	37	1	38	-	-	-	191	
Brifer Creek Manor	1220-10	264	5	269	259	3	262	1,171	
WOODCREEK PHASE II	1222-49	588	33	621	487	26	513	4,234	
TRAVIS LAKESIDE	1224-01	11	-	11	-	-	-	111	
LAKECLIFF ON LAKE TRAVIS	1224-02	33	1	34	29	-	29	218	
SHADY CREEK ET.AL	1224-03	18	-	18	11	-	11	114	
CANDLELIGHT	1304-01	730	15	745	727	14	741	5,790	
FOREST WATER AND SEWER	1304-02	159	6	165	165	8	173	1,809	
ALTON THEISS	1304-03	11	-	11	-	-	-	42	
ASTRO	1304-05	51	2	53	30	2	32	622	
ATASCOCITA ACRES	1304-06	127	16	143	-	-	-	681	
BAMMEL OAKS I	1304-07	13	-	13	-	-	-	49	
BAMMEL OAKS II	1304-08	75	5	80	-	-	-	419	
BEAR BRANCH	1304-09	27	-	27	-	-	-	1,125	
BERRY HILL ESTATES	1304-10	54	3	57	-	-	-	385	
BOUDREAU GARDENS	1304-11	43	5	48	-	-	-	274	
BRITMORE	1304-12	658	27	685	707	30	737	12,098	
BRUSHY CREEK	1304-13	108	24	132	108	23	131	541	
CAMILLA TWIN HARBORS	1304-14	222	176	398	-	-	-	473	
CARRIAGE HILLS	1304-15	513	28	541	-	-	-	3,653	
CEDAR POINT	1304-16	395	105	500	388	93	481	1,067	
CIMARRON COUNTRY	1304-17	213	18	231	-	-	-	1,476	
CLEAR CREEK FOREST	1304-18	356	8	364	-	-	-	8,746	
CREEKSIDE	1304-19	124	87	211	122	88	210	1,796	
CRICKET HILLS	1304-20	38	8	46	-	-	-	171	
CRYSTAL FOREST	1304-21	162	14	176	-	-	-	1,113	
CYPRESS BAYOU	1304-22	275	2	277	268	1	269	1,778	
CYPRESS FIELDS	1304-23	134	2	136	-	-	-	1,038	
CYPRESS PLACE	1304-24	46	2	48	-	-	-	425	
DECKER WOODS	1304-25	225	18	243	215	18	233	1,418	
DEERWOOD	1304-26	316	22	338	-	-	-	1,728	
DOGWOOD HILLS	1304-27	300	26	326	-	-	-	2,323	
GLEN FOREST	1304-28	19	63	82	-	-	-	101	
HUNTINGTON ESTATES	1304-29	135	10	145	-	-	-	689	
INDUSTRIAL	1304-30	84	4	88	34	3	37	11,750	
J & W	1304-31	27	2	29	-	-	-	225	
KITZWOOD	1304-32	30	-	30	-	-	-	155	
LAKE CREEK FOREST	1304-33	214	6	220	-	-	-	1,192	
MARKS GLEN	1304-34	76	1	77	-	-	-	634	
MOBILE HOME ESTATES	1304-35	180	23	-	-	-	-	1,125	
NEWTON	1304-36	415	51	466	73	12	85	2,534	

7,406	1203
1,638	1205 INGRAM
774	1206
215	1208
124	1209
65	1218
38	1219
269	1220
621	1222
63	1224
SW TOTAL	
	9,575

Received: JUL/08/2008/TUE 05:00 PM The Terrilli Firm  
 JUL 8 2008 04:53pm  
 FAX No. 512 474 9888  
 P. 017/019

NORTH WOODS	1304-37	31	2	33	-	-	-	146	
OAKWOOD ACRES	1304-38	69	13	82	-	-	-	400	
OAKWOOD VILLAGE	1304-39	56	8	64	55	8	63	378	
PEEK ROAD	1304-40	157	7	164	-	-	-	1,145	
PINE TRAILS	1304-41	1,783	84	1,867	1,779	82	1,861	15,642	
PLANTATION	1304-42	452	2	454	-	-	-	3,054	
PYSSEN	1304-43	48	1	49	-	-	-	327	
REDWOOD	1304-44	144	32	176	141	32	173	955	
ROLLING OAKS	1304-45	91	8	99	-	-	-	592	
ROSEHILL	1304-46	215	2	217	-	-	-	3,131	
SHADOW BAY	1304-47	281	33	314	281	31	312	1,209	
TASFIELD	1304-48	53	13	66	-	-	-	329	
TIMBERWILDE - All Sewer	1304-49	-	-	-	130	28	158	-	
TURTLE CREEK	1304-50	161	15	176	-	-	-	827	
WALNUT SPRINGS	1304-51	182	13	195	-	-	-	1,214	
WEST MAGNOLIA FOREST	1304-52	25	5	30	-	-	-	170	
WESTGATE	1304-53	50	3	53	-	-	-	206	
WESTWOOD 1 & 2	1304-54	385	12	397	1	-	1	1,957	
WILLOW OAKS - Sewer Only	1304-55	-	-	-	111	27	138	-	
WILSHIRE	1304-56	62	4	66	-	-	-	306	
PARK/SECRET FOREST	1304-57	67	-	67	-	-	-	1,058	
WILLOW RUN	1307-04	-	-	-	-	-	-	-	
CRYSTAL FOREST	1308-01	8	-	8	-	-	-	57	
NEWTON	1308-02	14	2	16	14	2	16	78	
WAGON WHEEL (All customers)	1308-03	168	10	178	-	-	-	1,948	
TIMBERLOCH ESTATES	1309-01	160	25	185	156	25	181	717	
CRIGHTON RIDGE	1309-03	247	2	249	162	2	164	2,316	
FAIRWAY CROSSING	1309-04	63	2	65	-	1	1	443	
WOODLAND RANCH	1309-05	42	8	50	1	-	1	344	
HERON LAKES	1309-06	346	11	357	327	10	337	2,044	
HUNTERS VILLAGE	1309-07	14	4	18	-	-	-	69	
CLASSIC PINES	1309-08	66	2	68	65	2	67	301	
COUNTRY CLUB GREEN (customers Nov. 2001)	1309-09	33	4	37	31	4	35	118	
CYPRESS CREEK RANCH	1309-10	87	1	88	-	-	-	1,025	
FULLBROOK	1309-11	108	2	110	-	-	-	1,268	
INDIGO RANCH	1309-12	51	-	51	-	-	-	429	
SHADOW GROVE	1309-13	35	1	36	-	-	-	539	
STABLE GATE	1309-14	189	2	191	171	1	172	7,427	
LAKES OF MISSION GROVE	1309-17	2	-	2	-	-	-	36	
Lakes of Rosehill	1309-19	190	6	196	-	-	-	3,611	
OLD EGYPT (customers Nov. 2001)	1309-21	5	1	6	6	1	7	166	
Palm Crest	1309-22	8	-	8	6	-	6	63	
Riverwood Forest	1309-23	45	-	45	43	-	43	548	
ROSE MEADOW	1309-24	52	8	60	52	8	60	254	
SUMMER LAKES RANCH	1309-25	25	-	25	-	-	-	233	
TEJAS CREEK (customers Nov. 2001)	1309-26	118	6	124	118	6	124	577	
WHITE OAK RANCH (customers Nov. 2001)	1309-27	12	-	12	12	-	12	99	
WALRAVEN	1309-28	14	5	19	-	-	-	55	
IMPERIAL VALLEY	1311-02	80	6	86	79	6	85	393	
LAKE CONROE VILLAGE	1315-03	181	67	248	181	64	245	730	
LAKE LIVINGSTON VILLAGE	1315-04	98	26	124	93	24	117	439	
PORT ADVENTURE	1315-05	105	54	159	104	44	148	376	
CHAMPION WATER	1316-01	164	39	203	-	-	-	1	

11,700 1304  
- 1307

202 1308

2,002 1309

86 1311

531 1315 SE TOTAL  
203 1316 14,724

Received: JUL/08/2008/TUE 05:00 PM The Terrill Firm  
 Jul 8 2008 04:53pm  
 FAX No. 512 474 9888  
 P. 018/019

Harris County MUD 389	1950-01	3	-	3	3	-	3	-		
Totals		38,018	3,322	41,137	9,424	865	10,289	297,199	-	-

Received:  
 JUL/08/2008/TUE 05:00 PM The Terrill Firm

Jul 8 2008 04:54pm  
 FAX No. 512 474 9888

P. 019/019

# THE TERRILL FIRM

A PROFESSIONAL CORPORATION

810 West 10<sup>th</sup> Street  
 Austin, Texas 78701  
 Tel (512) 474-9100  
 Fax (512) 474-9888

## FAX COVER SHEET

DATE : July 8, 2008

TIME : 4:32pm

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
 2008 JUL - 8 PM 4:56  
 CHIEF CLERKS OFFICE

**PLEASE DELIVER TO:**

NAME :	Craig R. Bennett Travis Vickery	FAX NUMBER :	475-4994
	SOAH Docket Clerk		475-4994
	TCEQ Office of Chief Clerk		239-3311
	Todd Galiga (TCEQ - ED)		239-0606
	Scott Humphrey (TCEQ - OPIC)		239-6377
	Linda Lamberth		sinanju@ix.netcom.com
	Gayle Pierce		mgpieroerv@msn.com
	Ed McCarthy		(512) 225-5565
	Judith Weidner		no fax - mail
	Byron Zinn		no fax - mail

FROM : Beckie Figg, Paralegal

CM # 9284

TOTAL NUMBER OF PAGES SENT (Including coversheet) : 19 pages

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL BACK AS SOON AS POSSIBLE.

**REMARKS :**

RE: *Application by Aqua Utilities, Inc. d/b/a Aqua Texas, Inc., and AquaSource Development Company d/b/a Aqua Texas, Inc., to Change Their Water and Sewer Tariffs and Rates in Various Counties, and Appeal of Rate-Making Actions of Various Municipalities Denying Requested Changes to Water and Sewer Tariffs and Rates SOAH Docket Nos. 582-05-2770 and -2771; TCEQ Docket Nos. 2004-1120-UCR and 2004-1671-UCR*

Please see attached Aqua Texas' Response to the Executive Director's Rate Sheet.

**CONFIDENTIALITY NOTICE**

This facsimile transmission (and/or the documents accompanying it) may contain confidential information belonging to the sender which is protected by the attorney-client privilege. The information is intended only for the use of the individual or entity named below. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for the return of the documents.