

SOUTHERN UTILITIES COMPANY

218 North Broadway
Tyler, Texas 75702

Business Office: 903-593-2588
Field Office: 903-566-3511
Rusk & Gregg County: 866-865-5722

INFORMATION FOR PROSPECTIVE CUSTOMERS

General: The principal business of Southern Utilities Company ("Company") is the construction and operation of a public water supply system in suburban areas. The Company management and operation personnel have many years of experience in the utility business and endeavor to operate in a businesslike manner to furnish all customers an adequate supply of high quality water at a fair price. The Company is a tax paying, privately owned company and it is not financed by public funds from Federal or local governments. The Federal Housing Administration ("F.H.A.") will accept properties served by the Company's water system for F.H.A. - insured mortgages provided the properties otherwise meet F.H.A. loan requirements.

Cost of Initial Service: For a standard 5/8" x 3/4" water meter, a non-refundable tap fee of \$500.00 is required to be paid to the Company before a residential or business facility that is located adjacent to existing water distribution lines is connected to its system. A separate connection is required for each separate residential or business facility. Special arrangements are required before properties which are not located adjacent to existing distribution lines can be served. Requests for service larger than a 5/8" x 3/4" water meter require additional tap fees and must be authorized by management, as larger meters can only be installed in areas of the system where distribution line capacity is adequate. Should a road bore or road crossing be required, the cost of same will be due from the customer (applicant) in addition to the prescribed tap fee.

Special arrangements have been made with a local bank to provide financing (loans) to qualified individuals who desire to finance the cost of the stated tap fee on an installment type plan. Any prospective customer desiring to finance the applicable tap fee should contact the Company's business office for further instructions.

Cost of Service: All customers are required to pay a \$50.00 service deposit, except residential applicants meeting certain criteria, and a non-refundable \$30.00 connection fee to the Company before the water is turned on at a service location. This deposit is held as security for payment of the customer's account and is refundable in the form of a credit to the customer's account, upon termination of the water service by the customer and payment of all account charges owed up to the service termination date, or after the customer has paid bills for water service for eighteen (18) consecutive billings without having service disconnected for nonpayment of bills and without having any occasion in which a bill was delinquent. Interest, at a rate prescribed by the Texas Commission on Environmental Quality, is paid annually in the form of credit to the customer's account on all service deposits held by the Company.

The monthly billings to the individual customers are determined from monthly water meter readings according to the following rate schedule (5/8"x 3/4" meters only):

Minimum Bill (includes 0 gallons)	\$ 25.58 (Minimum Charge)
Charge per Thousand Gallons	\$ 2.00 Per 1,000 Gallons, First 6,000 Gallons \$ 2.50 Per 1,000 Gallons, Next 6,000 Gallons \$ 3.50 Per 1,000 Gallons, Over 12,000 Gallons
Conservation Rate	\$ 3.00 Per 1,000 Gallons, Over 12,000 Gallons
State Mandated Assessment	1% of Total Water Charges

Billing Information: Monthly billings are prepared and mailed around the 25th of each month. Payment is due in the Company's business office at 218 North Broadway, Tyler, TX 75702; within 16 days after issuance. Should it become necessary to terminate water service to a customer due to non-payment of the monthly billings, payment of a \$25.00 non-refundable re-connection fee, in addition to full and complete payment of all outstanding delinquent billings and/or other applicable charges, will be required prior to restoration of water service.

The above stated information is subject to change and revision from time to time as conditions warrant.

Please do not hesitate to contact us should you have any additional questions regarding our services, rates, billing procedures, etc.