Palo Duro Service Company, Inc.

Water Rate Adjustments

Dear Utility Customer,

The Public Utility Commission of Texas passed resolution under Texas Water Code { 13.1872 } and Texas Administrative Code (TAC) { 24.49 } authorizing a change in rates for all Palo Duro Service Company, Inc. utility customers. This letter provides advanced notice of those changes, which will appear on your June bill. There will be an increase in your monthly flat fee, as well as a change in charges of metered water usage.

• NOTICE OF APPROVED UTILITY ANNUAL RATE ADJUSTMENT

If you have any questions, please call (817) 244-2248 or email us directly through our website at PaloDuroWater.com.

Thank you,

Palo Duro Service Company, Inc.

NOTICE OF APPROVED UTILITY ANNUAL RATE ADJUSTMENT

| Utility Name: | Palo Dur | o Service Comj | pany, Inc. | |
|----------------|----------|----------------|------------|--|
| CCN Number(s): | Water | 12200 | Sewer | |

The rates listed on the next page will apply to service received after the effective date listed on the notice below. This rate was requested by the utility and approved by the Public Utility Commission of Texas based on Texas Water Code § 13.1872, which allows the utility to receive an annual rate adjustment, without a hearing, of no more than 5%.

The following public water system(s), sewer system(s), or subdivision(s) will be affected by this rate adjustment:

Duchane Chateaux (PWS# 1840100)

Glider Base Estates (PWS# 2490028) Trinity River Estates (PWS# 1840099)

Effective Date of Approved Increase:

June 30, 2022

(must be at least 30 days from the date the customers receive notice)

The rate adjustment will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

| Address: | 3505 Williams Road | |
|------------|--------------------|--|
| City: | Fort Worth | |
| State/Zip: | Texas, 76116 | |
| Telephone: | (817) 244-2248 | |
| | | |

Percent of Rate Adjustment:5.00%1Date Notice Delivered:5/30/2022Date Meters are Read:every 30th

Billing Comparison²

Charges based on Gallons (G) per Month (mo)

Water:

| P | revious | | | New | |
|---------|---------|-----|---------|---------|-----|
| 2,000 G | \$48.75 | /mo | 2,000 G | \$51.19 | /mo |
| 5,000 G | \$57.66 | /mo | 5,000 G | \$60.54 | /mo |

¹The Texas Water Code limits the increase to 5%.

2The billing comparison only includes minimum monthly charge, block gallonage rate and gallonage rate charges.

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NOTICE OF APPROVED UTILITY ANNUAL RATE ADJUSTMENT

| Utility Name: | Palo Duro Service Company, Inc. | | | | | | |
|----------------|---|---|--|--|--|--|--|
| CCN Number(s): | Water | 12200 | Sewer | | | | |
| | WATER (Duchane, Glider, and Trinity Subdivisions) | | | | | | |
| | MINIM | MINIMUM MONTHLY CHARGE | | | | | |
| | Meter Size | Previous Minimum Monthly Charge (includes 2,000 gallons) | Minimum Monthly Charge (includes 2,000 gallons) | | | | |
| | 5/8" | \$ 48.75 | \$ 51.19 | | | | |
| | 3/4" | \$ 48.75 | \$ 51.19 | | | | |
| | GALLONAGE CHARGES | | | | | | |
| | for each add | for each additional 1,000 gallons over the minimum | | | | | |
| | Previous Tariff Rates | Annual Rate Adjustment | New Tariff Rates | | | | |
| | \$ 2.9 | 7 5.00% ¹ | \$ 3.12 | | | | |

¹ A 5% rate increase is permitted by Texas Water Code § 13.1872 for a Class D utility without hearing for four out of five calendar years.

NOTICE

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