

Control Number: 43640

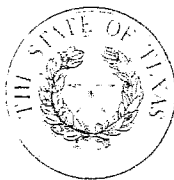


Item Number: 2

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



91 08 2133 3935 2105 2744

43640

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 3, 2012

TRANSMITTED BY:
Facsimile: (830) 367-1347
and CERTIFIED MAIL

Ms. Karen Hux, Office Manager
Shalako Estates and Canyon Springs Water Systems
P.O. Box 326
Hunt, TX 78024

RECEIVED
2014 OCT 30 PM 3:29
PUBLIC UTILITY COMMISSION
FILING CLERK

NOTICE OF DEFICIENCY

Re: Water Rate Change Application of Shalako Estates and Canyon Springs Water Systems, Certificate of Convenience and Necessity (CCN) No. 12685 in Kerr County; Application No. 37233-R

CN: 603579616; RN: 102690781

Dear Ms. Hux:

Your rate application received on December 28, 2011, has been assigned Application No. 37233-R, but has not been accepted for filing. Please refer to this number in future correspondence.

Based on an administrative review of your application, it appears the notice to customers contains deficiencies. To continue processing the application, you must complete and revise the following portions of the notice:

1. The 10,000 gallon calculations of your billing comparison for all meter sizes for the proposed rates are incorrect.
2. The billing comparison shows 3/4" meter size only and did not include the 5/8" meter size. Please indicate 5/8" or 3/4" meter size in the billing comparison instead of the 3/4" meter only.
3. The TCEQ approved tariff shows that the "Meter Test Fee" is \$25.00, not zero. Please indicate the correct fees in your revised notice to customers under the current rates column.
4. Your notice to customers shows your proposed rates effective May 21, 2012, only. If your intention is to increase your rates for two consecutive years, please show also the proposed rates effective May 21, 2013, on the notice to customers.

2

Ms. Karen Hux, Office Manager

Page 2

February 3, 2012

The effective date of your rate change is hereby suspended until the deficiencies are corrected and your customers are re-noticed. Your new effective date must be at least 60 days following the date the completed application is mailed to us, and correct notice is mailed or delivered to the customers. It must also be the first day of a billing period. If you have collected the new proposed rates, you are required to refund the excess amount collected.

An original and three (3) copies of the customer notice, notarized affidavit, and other documents referenced above must be submitted to our office by **March 5, 2012**. If these items are not received by this date, the application will be returned for failure to prosecute.

If you have any further questions, please call Ms. Leila Guerrero at (512)239-2286, by email at Leila.Guerrero-Gantioqui@tceq.texas.gov, by fax at (512) 239-0030. If you contact our office by correspondence, please include MC-153 in the address.

Sincerely,



Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/LG/ln

Enclosure

TCEQ Interoffice Memorandum

TO: Bridget Bohac, Chief Clerk
Business Support Section

THRU: *[Signature]* Tammy Benter, Manager
THB Utilities and Districts Section
7/26/12 Water Supply Division

[Signature] Lisa Fuentes, Team Leader
7/26/12 Utilities Financial Review Team
Water Supply Division

[Signature] Vera Poe, P.E., Team Leader
7/26/12 Utilities Technical Review Team
Water Supply Division

FROM: *[Signature]* Elizabeth Flores
7/26/12 Utilities Financial Review Team
Water Supply Division

[Signature] John Lock, P.E.
7/26/12 Utilities Technical Review Team
Water Supply Division

DATE: July 26, 2012

SUBJECT: Docket No. 2012-1463-UCR; Protest of the application for a Water Rate/Tariff Change of Shalako Estates and Canyon Springs Water Systems, Certificate of Convenience and Necessity (CCN) No. 12685, in Kerr County; Application No. 37233-R

CN: 603579616; RN: 102690781

We hereby transfer the official file for the above referenced application to the Chief Clerk's Office. Please refer the application to the State Office of Administrative Hearings (SOAH) and request that a hearing be scheduled.

The rate change application was received on December 28, 2011. The effective date of the rate increase was May 21, 2012, and the deadline for customer protests is August 19, 2012. We have received 43 complaints from a total of 229 water customers, which exceeds the minimum requirement of 10%.

Staff estimates 15 people to attend this hearing. Attached is a mailing list for the application.

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2012 JUL 27 PM 3:19
CHIEF CLERKS OFFICE

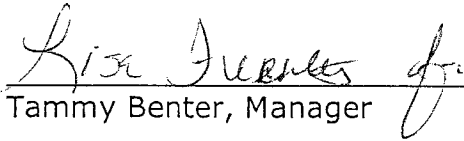
The staff assigned to this case are:

Technical - John Lock, P.E.

Financial - Elizabeth Flores

Legal -

If we may be of further service regarding this matter, please call.



Tammy Benter, Manager

TB/EF/JL/mmg

cc: TCEQ Public Interest Counsel; ATTN: Vic McWherter
TCEQ Agency Communications; ATTN: Andy Saenz, Director
TCEQ Chief Clerk's Office; ATTN: Deanna Avalos, SOAH Docket Clerk
TCEQ Legal Office; ATTN: Todd Galiga

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 26, 2012

Ms. Karen Hux, Office Manager
Shalako Estates and Canyon Springs Water Systems
P.O. Box 326
Hunt, TX 78024

Re: Docket No. 2012-1463-UCR; Protest of the application for a Water Rate/Tariff Change of Shalako Estates and Canyon Springs Water Systems, Certificate of Convenience and Necessity (CCN) No. 12685, in Kerr County; Application No. 37233-R

CN: 603579616; RN: 102690781

Dear Ms. Hux:

On December 28, 2011, the Texas Commission on Environmental Quality (TCEQ) received your application for a water rate/tariff change. Your application has been assigned Docket No. 2012-1463-UCR. Any further communication should refer to this docket number.

The TCEQ has received 43 protests from a total of 229 water customers, which is more than ten percent (10%) of your affected customers. This matter has been referred to the State Office of Administrative Hearings for scheduling. Once the hearing is scheduled, you will receive a notice of hearing explaining when and where the hearing will be held.

In order to review this rate change request, the staff of the TCEQ may need additional information regarding your utility's cost of providing service. You may be receiving staff Requests for Information (RFI's) within a few weeks. We would appreciate your cooperation in providing the information requested.

If you have questions about this process or what material you should bring with you to the hearing, please contact Ms. Elizabeth Flores at 512/239-6846 or Mr. John Lock at 512/239-4710, by fax at 512/239-6972, by email at Elizabeth.Flores or John.Lock@tceq.texas.gov. If you contact our office by correspondence, please include MC153 in the letterhead address.

Sincerely,

Tammy Benter, Manager
Utilities and Districts Section
Water Supply Division

TB/EF/JL/mmg

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

How is our customer service? tceq.texas.gov/customersurvey

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
JUL 27 2012
CHIEF CLERK'S OFFICE

Mailing List Shalako Estates and Canyon Springs Water Systems
Docket No. 2012-1463-UCR
(Application No. 37233-R)

Ms. Karen Hux, Office Manager
Shalako Estates and Canyon Springs Water Systems
P.O. Box 326
Hunt, TX 78024

bc: TCEQ Region No. 13 Office

Todd Galiga, Environmental Law Division, MC 173

Vic McWherter, Public Interest Counsel, MC 103

Elizabeth Flores, Utilities & Districts Section, MC 153

John Lock, Plan & Groundwater Section, MC 159

AFFIDAVIT

STATE OF TEXAS

COUNTY OF KERR

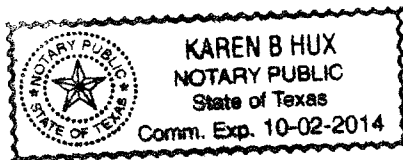
I, W. E. Vlasek, being duly sworn, file this NOTICE OF PROPOSED RATE CHANGE as Owner (indicate relationship to Utility, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Utility); that, in such capacity, I am qualified and authorized to file and verify such NOTICE; and that all statements made and matters set forth herein are true and correct.

I further represent that a copy of the attached notice was provided by mail to
(mail or hand delivery)
each customer or other affected party on or about February 8, 2012.

W. E. Vlasek
Affiant (Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Utility, or its attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this the 8 day of February, 20 12, to certify which witness my hand and seal of office.



SEAL

Karen B Hux
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Karen B Hux
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 10/02/2014

NOTICE OF PROPOSED RATE CHANGE**Canyon Springs Water Works, Shalako Water Supply****12685**

Company Name

CCN Number

has submitted a rate change application to the Texas Commission on Environmental Quality (Commission). The proposed rates listed on the next page will apply to service received after the effective date provided below. If the Commission receives protests to the proposed increase from 10 percent of the ratepayers or from any affected municipality before the 91st day after the proposed effective date, a public hearing will be scheduled to determine if the proposed rates are reasonable. Protests should be mailed to:

**Texas Commission on Environmental Quality
Water Supply Division
Utilities & Districts Section, MC 153
P. O. Box 13087
Austin, Texas 78711-3087**

Unless protests are received from 10 percent of the ratepayers or the Commission staff requests a hearing, no hearing will be held and rates will be effective as proposed. Please read the following information carefully:

Canyon Springs Water Works, Shalako Water Supply

Subdivisions or Systems Affected by Rate Change		City		State	Zip	Telephone
PO Box 326		Hunt		TX	78024	830-238-4877
Company Address		City		State	Zip	Telephone
\$72, 279.78		Hunt		TX	78024	830-238-4877
Annual Revenue Increase		Date Customer Notice Mailed		February 8, 2012		
May 21, 2011		on or near 20 th of each month				
Date of Last Rate Change		Date Meters Typically Read				

EFFECTIVE DATE OF PROPOSED INCREASE: May 21, 2012**BILLING COMPARISON (rates for 2" and 3" meters not shown as we do not have any of this size)**

5/8" or 3/4" meter	Existing	10,000 gal	\$ 62.00 /mo	Existing	30,000 gallons:	\$ 152.00 /mo
"	Proposed	10,000 gal	\$ 73.50 /mo	Proposed	30,000 gallons:	\$ 181.50 /mo
1" meter	Existing	10,000 gal	\$ 102.56 /mo	Existing	30,000 gallons:	\$ 192.56 /mo
"	Proposed	10,000 gal	\$ 117.04 /mo	Proposed	30,000 gallons:	\$ 225.04 /mo
1 1/2" meter	Existing	10,000 gal	\$ 170.12 /mo	Existing	30,000 gallons:	\$ 260.12 /mo
"	Proposed	10,000 gal	\$ 189.58 /mo	Proposed	30,000 gallons:	\$ 297.58 /mo

EFFECTIVE DATE OF PROPOSED INCREASE: May 21, 2013**BILLING COMPARISON (rates for 2" and 3" meters not shown as we do not have any of this size)**

5/8" or 3/4" meter	Existing	10,000 gal	\$ 62.00 /mo	Existing	30,000 gallons:	\$ 152.00 /mo
"	Proposed	10,000 gal	\$ 75.50 /mo	Proposed	30,000 gallons:	\$ 189.90 /mo
1" meter	Existing	10,000 gal	\$ 102.56 /mo	Existing	30,000 gallons:	\$ 192.56 /mo
"	Proposed	10,000 gal	\$ 122.03 /mo	Proposed	30,000 gallons:	\$ 236.43 /mo
1 1/2" meter	Existing	10,000 gal	\$ 170.12 /mo	Existing	30,000 gallons:	\$ 260.12 /mo
"	Proposed	10,000 gal	\$ 199.56 /mo	Proposed	30,000 gallons:	\$ 313.96 /mo

The proposed rates 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.

In the event that the application is set for hearing, the specific rates requested by the utility may be decreased or increased by order of the Commission. If the Commission orders a lower rate to be set, the utility may be ordered to refund or credit against future bills all sums collected during the pendency of the rate proceeding in excess of the rate finally ordered plus interest. You may inspect a copy of the rate change application at your utility's office or at the Commission's office at Park 35 - Building F, 12015 Park 35 Circle, Suite 3101, Austin, Texas, west side of IH-35, south of Yager Lane. Additional information about the application can be obtained by contacting the Utilities and Districts Section at 512/239-4691. Information about how you can participate in the rate setting process can be obtained by contacting the Public Interest Counsel at 512/239-6363.

Si desea informacion en Espanol, puede llamar al 512-239-0200

NOTICE OF PROPOSED RATE CHANGE -WATER (Cont.)

Page 2

CURRENT RATES		PROPOSED RATES Effective 5/21/2012		
Monthly base rate including <u>0</u> gallons		Monthly base rate including <u>0</u> gallons		
Meter Size:		Meter Size:		
Residential		Residential effective:	5/21/2012	5/21/2013
5/8" or 3/4"	\$ 27.00	5/8" or 3/4"	\$ 29.00	\$ 31.00
1"	\$ 67.56	1"	\$ 72.54	\$ 77.53
1 1/2"	\$ 135.12	1 1/2"	\$ 145.08	\$155.06
2"	\$ 216.19	2"	\$ 232.12	\$248.10
3"	\$ 405.36	3"	\$ 435.23	\$465.18
Other: _____ \$		Other: _____ @		\$
Gallonge Charge:		Gallonge Charge:		
\$ <u>3.50</u> for 0 – 10,000 gallons (per 1000 gal)		0-10,000 gallons (per 1000 gal)	\$4.45	\$4.45
\$ <u>4.50</u> for 10,001 gal and over (per 1000 gal)		10,001 gal and over (per 1000 gal)	\$5.40	\$5.72
<u>Miscellaneous Fees</u>		<u>Miscellaneous Fees</u>		
Tap fee	\$750.00	Tap fee	\$ 750.00	
Reconnect fee:		Reconnect fee:		
Non-payment (Maximum - \$25.00)	\$ 25.00	Non-payment (Maximum - \$25.00)	\$ 25.00	
Customer's request	\$ 50.00	Customer's request	\$ 40.00	
Transfer fee	\$ 55.00	Transfer fee	\$ 35.00	
Late charge	\$ 5.00	Late charge	\$ 5.00	
Returned check charge	\$ 25.00	Returned check charge	\$ 25.00	
Deposit	\$ 0	Deposit (Maximum \$50.00)	\$ 50.00	
Meter test fee	\$ 25.00	Meter test fee	\$ 25.00	
Meter Relocation Fee	Actual Cost, not to exceed tap fee	Meter Relocation Fee	Actual Cost, not to exceed tap fee	

Regulatory Assessment of 1% is added to base rate and gallonage charges.

Canyon Springs Water Works

PWS 1330006 • CCN 12685
PO Box 326
Hunt, TX 78024

Dear Customer:

In December Canyon Springs Water Works and Shalako Water Supply (CCN 12685) filed an Application for a Rate / Tariff change. TCEQ (Texas Commission on Environmental Quality) has requested that we a new Notice to Customers with expanded information about the rate change. You will find this notice enclosed. Additionally, there was a math error in figuring the "0 to 10,000 gallons" charge for the first year of the proposed rate change (rates effective May 21, 2012). You will note that this proposed amount is less than shown on the original notice.

Most of you will recall that the last rate change, effective May 21, 2010 was actually a two tier change with different rates effective May 21, 2010 and May 21, 2011. From the feedback we have received this has been an acceptable approach to rate increases. With this in mind, we have structured this new rate change request in the same way. The actual structure is shown below.

Monthly Base Rate by Meter Size (includes 0 gal)	Effective May 21, 2012	Effective May 21, 2013
5/8 X 3/4	\$29.00	\$31.00
1"	\$72.54	\$77.53
1 1/2"	\$145.08	\$155.06
2"	\$232.12	\$248.10
3"	\$435.23	\$465.18
Gallorage charge per 1000 gallons		
0 - 10,000 gal	\$4.45	\$4.45
10,000 gal and over	\$5.40	\$5.72

RECEIVED
TCEQ
WATER SUPPLY DIV.
2012 FEB 9 AM 11 46

A copy of the complete Application is available in our office at 654 Hwy 39, Ingram, TX. If you have any questions, please contact us during office hours, 8:00 am – 5:00 pm, Monday thru Friday. Our phone number is 830-238-4877.

Sincerely,

Canyon Springs Water Works

Shalako Water Supply

PWS 1330119 • CCN 12685
PO Box 326
Hunt, TX 78024

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