



Control Number: 44707



Item Number: 23

Addendum StartPage: 0

TARIFF CONTROL NO. 44707

**APPLICATION OF CRYSTAL
SPRINGS WATER COMPANY, INC.
FOR A PASS THROUGH RATE
CHANGE (38013-R)**

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PUBLIC UTILITY COMMISSION

OF TEXAS

2015 DEC 18 AM 9:56

FILING CLERK

**COMMISSION STAFF'S RESPONSE TO NOTICE DEEMING NOTICE DEFICIENT,
REQUIRING REVISED NOTICE AND ESTABLISHING DEADLINES**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Commission Staff's Response to Notice Deeming Application Deficient, Requiring Revised Notice and Establishing Deadlines. In support thereof, Staff shows the following:

I. BACKGROUND

On May 5, 2015, Crystal Springs Water Co., Inc. (Crystal Springs) filed an application with the Public Utility Commission of Texas (Commission) to implement a pass through rate change due to an increase in fees imposed by Porter Special Utility District's (Porter SUD) GRP Plan.¹ On September 8, 2015, the Administrative Law Judge (ALJ) rejected the application based on Staff's August 12, 2015 recommendation and on September 16, 2015, Crystal Springs filed a Motion for Rehearing. On September 16, 2015, the ALJ issued a Notice on Reconsideration stating that Crystal Springs' Motion for Rehearing would be treated as a Motion for Reconsideration. The ALJ directed Crystal Springs to respond to Staff's initial recommendation that the application be rejected by September 28, 2015 and directed Staff to file a reply to the Crystal Springs' response and a supplemental final recommendation on the application by October 28, 2015. Staff filed a supplemental recommendation on October 28, 2015. On November 2, 2015, the ALJ issued a Notice Deeming Application Sufficient and Requiring Responses, which directed Crystal Springs to file a statement by November 10, 2015 and requiring Staff to file a final recommendation by November 20, 2015. Crystal Springs filed a revised notice to customers on November 12, 2015. On November 20, 2015 Staff recommended the notice was deficient. On December 1, 2015, the ALJ issued a Notice Finding Proposed Notice Deficient, Requiring Revised Notice and Establishing Deadlines which directed Crystal

¹ Application of Crystal Springs Water Co., Inc. for a Pass Through Rate Change at 1 (May 5, 2015). (Application.)

Springs to file revised notice by December 14, 2015 and Staff to file a supplemental recommendation by December 18, 2015. Therefore, this Response is timely filed.

II. RECOMMENDATION ON NOTICE

Staff has reviewed Crystal Springs' revised notice, and as supported by the attached memorandum of Fred Bednarski III of the Water Utilities Division (Attachment A), Staff recommends that the revised notice be found sufficient. Crystal Springs mailed the notice attached in its December 11, 2015 filing to its customers on December 1, 2015. The revised notice included the required pass through calculations and the notice language of 16 TAC § 24.21(h)(4)(B). Therefore, Staff recommends that Crystal Springs' revised notice is sufficient, and that its pass through rate increase should have an effective date of January 1, 2016.

III. FINAL RECOMMENDATION

Staff believes that Crystal Springs' application and notice comply with the requirements of 16 TAC §24.21(h)(4), and that the application is administratively complete. Therefore, as supported by Mr. Bednarski's attached memorandum, Staff recommends approval of Crystal Springs' pass through increase at a rate of \$1.93 per 1,000 gallons. A copy of Crystal Springs' revised tariff is attached (Attachment B).

IV. CONCLUSION

For the reasons stated above, Staff recommends that Crystal Springs' application be found administratively complete, and further recommends that the Commission approve the application with a rate of \$1.93 per 1,000 gallons.

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Karen S. Hubbard
Managing Attorney
Legal Division



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Public Utility Commission of Texas
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P. O. Box 13326
Austin, Texas 78711-3326

TARIFF CONTROL NO. 44707

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 18, 2015 in accordance with 16 Tex. Admin. Code § 22.74.



Erika Garcia

ATTACHMENT A

PUC Interoffice Memorandum

To: Erika Garcia
Legal Division

Thru: Tammy Benter, Division Director
Debi Loockerman, Rates Team Lead
Water Utilities Division

From: Fred Bednarski III, Financial & Managerial Review Specialist
Water Utilities Division

Date: December 18, 2015

Subject: **Tariff Control No. 44707;** *Application of Crystal Springs Water Company, Inc. for a Pass-Through Rate Change*

On May 05, 2015, Crystal Springs Water Co., Inc. (Crystal Springs) filed an application to implement an increase to the groundwater reduction plan fee charged by Porter Special Utility District (PSUD) in Montgomery County, Certificate of Convenience and Necessity (CCN) No. 11373 for the following subdivisions: Bennett Woods, Chasewood, Country West, Western Hill, Deer Glen, Live Oak, Rolling Hill Oaks, Timberland, Oak Tree, and Whispering Pines. Crystal Springs requests approval of the new pass-through rate of \$1.90. Staff reviewed the information submitted in this application pursuant to 16 Texas Admin. Code §§ 24.8 and 24.21 (TAC).

On December 11, 2015, Crystal Springs filed proof of notice mailed to customers on December 1, 2015. The revised notice included the required calculation of the pass through fee at a rate of \$1.93 per 1,000 gallons, and the notice language required by 16 TAC § 24.21(h)(4)(B). Therefore, Staff recommends that the Commission approve the pass-through fee of \$1.93 per 1,000 gallons effective January 1, 2016, and provide a copy of the approved tariff to Crystal Springs (attached).

ATTACHMENT B



WATER UTILITY TARIFF
Tariff Control Number: 44707

Crystal Springs Water Company, Inc.
(Utility Name)

P.O. Box 603
(Business Address)

Porter, Texas 77365
(City, State, Zip Code)

(281) 354-5136
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

11373

This tariff is effective in the following counties:

Montgomery and Walker

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

See attached list.

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The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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CRYSTAL SPRINGS WATER COMPANY, INC.
LIST OF SUBDIVISIONS

SUBDIVISION NAME	PWS ID	COUNTY
Acorn Hills	1700322	Montgomery
Afton Park Water System	1700147	Montgomery
Arbor Oaks	1700322	Montgomery
Autumn Acres	1700756	Montgomery
B's/Pickering	1700322	Montgomery
Bennett Woods	1700290	Montgomery
Chaparral Place	1700434	Montgomery
Chasewood	1700622	Montgomery
Circle Oaks	1700290	Montgomery
Country West	1700435	Montgomery
Crystalwood Estates	1700322	Montgomery
Deer Glen	1700322	Montgomery
Deer Glen North	1700322	Montgomery
Deer Glen West	1700629	Montgomery
Deer Ridge	1700289	Montgomery
Emerald Forest	1700322	Montgomery
Emerald Woods	2360044	Walker
5 Acre Tracts	1700322	Montgomery
FM 1485 LTD	1700580	Montgomery
Lake Creek Falls	1700719	Montgomery
Lake Louise	1700184	Montgomery
Live Oak Estates	1700198	Montgomery
Oak Grove	1700322	Montgomery
Oak Grove South	1700322	Montgomery
Oak Springs	1700147	Montgomery
Oak Tree Subdivision	1700695	Montgomery
Oak Creek Section II	1700432	Montgomery
Old Houston Acres	1700695	Montgomery
M & T	1700322	Montgomery
P/C Ranchettes	1700198	Montgomery
Pinewood Village	1700290	Montgomery
Ranch Estates	1700322	Montgomery
Rolling Hill Oaks	1700058	Montgomery
The Oaks	1700626	Montgomery
Timberland Estates	1700612	Montgomery
Tower Woods	1700289	Montgomery
Tower Glen	1700433	Montgomery
Tower Glen North	1700433	Montgomery
Tower Brook	1700433	Montgomery
V Woods	1700290	Montgomery
Western Hill	1700629	Montgomery
Whispering Pines	1700066	Montgomery
White Oak Hills	1700613	Montgomery
Winchester Place	1700466	Montgomery
Woodland Forest Estates	1700066	Montgomery
Woodridge Estates	1700075	Montgomery

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$43.80</u> (Includes 0 gallons)	<u>\$3.33</u> per 1000 gallons
1"	<u>\$109.50</u>	
1½"	<u>\$219.00</u>	
2"	<u>\$350.40</u>	
3"	<u>\$657.00</u>	

Lone Star Ground Water Conservation District (LGCD) (Montgomery County)

An additional charge of \$0.06 per 1,000 gallons of water usage will be added to the gallonage charge for the following subdivisions: Afton Park Water System, Autumn Acres, Chaparral Place, Deer Ridge, FM 1485 LTD, Lake Creek Falls, Lake Louise, Oak Springs, Oak Creek Section II, The Oaks, Tower Woods, Tower Glen, Tower Glen North, Tower Brook, White Oak Hills, Winchester Place, Woodridge Estates, Acorn Hills, Arbor Oaks, B's/Pickering, Bennett Woods, Chasewood, Circle Oaks, Country West, Crystalwood Estates, Deer Glen, Deer Glen North, Deer Glen West, Emerald Forest, 5 Acre Tracts, Live Oak Estates, Oak Grove, Oak Grove South, Oak Tree Subdivision, Old Houston Acres, M & T, P/C Ranchettes, Pinewood Village, Ranch Estates, Rolling Hill Oaks, Timberland Estates, V Woods, Western Hill, Whispering Pines, Woodland Forest Estates.

Porter Special Utility District Groundwater Reduction Plan (PSUD GRP) (Montgomery County)

An additional charge of \$1.93 per 1,000 gallons will be added to the gallonage charge for ground water reduction fee for the following subdivision: Acorn Hills, Arbor Oaks, B's/Pickering, Bennett Woods, Chasewood, Circle Oaks, Country West, Crystalwood Estates, Deer Glen, Deer Glen North, Deer Glen West, Emerald Forest, 5 Acre Tracts, Live Oak Estates, Oak Grove, Oak Grove South, Oak Tree Subdivision, Old Houston Acres, M & T, P/C Ranchettes, Pinewood Village, Ranch Estates, Rolling Hill Oaks, Timberland Estates, V Woods, Western Hill, Whispering Pines, Woodland Forest Estates. (Tariff Control No. 44707)

Bluebonnet Ground Water Conservation District (BGCD) (Walker County)

An additional charge of \$0.035 per 1,000 gallons of water usage will be added to the gallonage charge for Emerald Woods subdivision only.

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card _____, Other (specify) _____

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT..... 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND REMIT TO THE TCEQ.

TAP FEE \$900.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs)..... Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter)..... Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

SECTION 1.0 – RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY’S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RECONNECTION FEE
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected..... \$50.00

TRANSFER FEE..... \$50.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$35.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY’S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT..... 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 24.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

PURCHASED WATER/UNDERGROUND WATER DISTRICT FEE PASS THROUGH CLAUSE:
Changes in fees imposed by any wholesale water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the formula:

(AG) = G + [B/(1 - L)], where:
AG = adjusted gallonage charge, rounded to nearest one cent;
G = approved gallonage charge, per 1,000 gallons;
B = change in fee (per 1,000 gallons);
L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

To implement or modify the Purchased Water/Underground Water District Fee, the utility must comply with all notice and other requirements of 30 TAC 24.21(h).