

Control Number: 44809



Item Number: 155

Addendum StartPage: 0

SOAH DOCKET NO. 473-16-1848.WS DOCKET NO. 44809

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APPLICATION OF QUADVEST, L.P. FOR RATE/TARIFF CHANGE

PUBLIC UTILITY COMMISSION PI 2: LE PUBLIC UTILITY COMMISSION FILING CLERK

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MOTION TO CORRECT ADMINSTRATIVE ERROR IN INTERIM TARIFF

Quadvest LP ("Quadvest") files this motion to correct an administrative error made in the filing of the compliance tariff in this docket. In support thereof, Quadvest respectfully shows as follows:

Background Information

- 1. On May 24, 2016, a prehearing conference was convened in which the parties announced they had reached a unanimous settlement ("Stipulation"). Commission Staff, OPUC, and Tommie Breedlove appeared at the prehearing and announced agreement with the Stipulation. True Vine Missionary Church ("True Vine"), which was not present at the prehearing conference, was contacted via telephone to determine whether it was in agreement with the settlement. True Vine, through its duly authorized representative, Lyndia Clark, represented that it approved of the Stipulation. (Quadvest, Staff, OPUC, Breedlove and True Vine will be collectively referred to as the "Parties.")
- 2. The Stipulation was read into the record at the prehearing conference on May 24, 2016 and filed of record on November 1, 2016.
- 3. On May 27, 2016, the Parties filed a motion for interim rates ("Motion"). The motion for interim rates outlined the parties Stipulation, as announced on May 24, 2016.
- 4. On May 31, 2016, the Administrative Law Judge in this proceeding issued Order No. 8, approving the Motion and ordering Staff to file a compliance tariff. Staff complied with Order No. 8 by filing a compliance tariff on June 1, 2016.
- Unbeknownst to the Parties, there was an administrative error in the tariff that was filed.
 The tariff incorporated a groundwater conservation pass through fee that was not an

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approved fee by the Commission, nor was it consistent with the interim rates identified in the Motion or Order No. 8. It appears that Staff inadvertently incorporated an earlier tariff rather than the approved pass through tariff at that time. The earlier tariff, incorporated a groundwater pass through fee of \$2.39. However, the approved fee, approved by the Commission on February 24, 2016, incorporated a groundwater pass through fee of \$2.60. (See Order of Approval, Application of Quadvest, L.P., to Implement a Pass-Through Rate Change, Order of Approval (February 24, 2016) (Attached hereto as Exhibit 1).

- 6. The Motion made no mention of any change in the groundwater pass through fee, nor was there any discussion, notice, testimony or request in this proceeding, to alter that approved pass through fee.
- 7. Order No. 8 did not authorize any change to the groundwater pass through fee, nor was there ever any mention of such a change. Exhibit A to Order No. 8, which reflected the approved interim rates, is attached hereto as Exhibit 2.
- 8. The only order of this Commission authorizing a change in the groundwater pass through fee occurred on February 24, 2016, and ordered Quadvest to implement a \$2.60 pass through fee. (Compare Ex. 1, Order of Approval, Application of Quadvest, L.P., to Implement a Pass-Through Rate Change, Order of Approval (February 24, 2016) with Order No. 8, Docket 44809, Application of Quadvest L.P. for Rate/Tariff Change (May 31, 2016).
- 9. While the parties reviewed the tariff before filing, the parties were reviewing the tariff provisions that were part of the stipulation, and no party realized the error in the pass through portion of the tariff, as the pass through portion was to be unchanged. Neither counsel for Staff nor counsel for Quadvest was made aware of this administrative error until a customer complaint occurred in or about October, 2016.
- 10. The portion of the tariff on file referring to a groundwater pass through fee of \$2.39 per 1000 gallons is void because it is not consistent with Order No. 8, nor is it consistent with the Commission approved order setting the groundwater fee at \$2.60 per 1000 gallons. Quadvest had no authority to charge a rate other than that approved by the Commission and Quadvest acted within its authority by charging the approved groundwater pass

through fee. Accordingly, Quadvest requests that the Examiner permit substitution of the portion of the tariff referring to the groundwater fee with the correct Commission approved groundwater pass through. The correct page of the tariff, which is to replace page 4 of the Compliance Tariff, is attached hereto as Exhibit 3.

Argument and Legal Authorities

- Pursuant to PUC Subst. R. 24.21, "[a] utility may not directly or indirectly demand, charge, or collect any rate or charge, or impose any classifications, practices, rules, or regulations different from those prescribed in its approved tariff filed with the commission . . ."

 Furthermore, "[t]ariff filings made in response to an order issued by the commission must include a transmittal letter stating that the tariffs attached are in compliance with the order, giving the docket number, date of the order, a list of tariff sheets filed, and any other necessary information . . All tariff sheets must comply with all other sections in this chapter and must include only the changes ordered."
- 12. Furthermore, under PUC Subst. R. 24.29, neither Quadvest nor Staff have the authority to unilaterally make changes to tariffs or set interim rates. Rather, the Commission must approve interim rates based on the criteria set forth in Section 24.29(a)("The commission may, on a motion by the commission staff or the appellant under TWC § 13.043(a), (b), or (f), as amended, establish interim rates to remain in effect until a final decision is made.")
- 13. In this case, through an administrative error, the groundwater pass through fee was identified as \$2.39 per \$1000 gallons of water. This rate was never approved by the Examiner or the Commission. Order No. 8 makes no mention of, or changes, to the Commission approved groundwater pass through fee of \$2.60 per 1000 gallons. Therefore, there was never an "approved" tariff authorizing a change to \$2.39 and any such compliance tariff filing would be void as to that particular change. See PUC. Subst. R. 24.21 ("All tariff sheets must comply with all other sections in this chapter and must include only the changes ordered"); Moore v. Blagge, 91 Tex. 151, 155 (Tex. 1897) (sale in question was void because it was not authorized by the order of court in that the order did not authorize the making of a sale or title to McLemore or others). Accordingly, Quadvest respectfully requests that the Examiner enter an order declaring the change of the

groundwater pass through fee from \$2.60 to \$2.39 to be void and replace Page 4 of the compliance tariff with Exhibit 3 hereto.

CONCLUSION

FOR THESE REASONS, Quadvest respectfully requests that the Examiner enter an order declaring the change of the groundwater pass through fee from \$2.60 to \$2.39 to be void and replace Page 4 of the compliance tariff with Exhibit 3 hereto.

Respectfully submitted,

By: Jammy France Shea
Tammy Wavle Shea by permission
24008908
Debia Collis

Cozen O'Connor

1221 McKinney, Suite 2900

Houston, Texas 77010

Phone: (713) 750-3148 Fax: (832) 214-3905

Email: tshea@cozen.com

ATTORNEYS FOR QUADVEST, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of Quadvest's Motion to Correct Administrative Error in Interim Tariff was served on all parties of record in this proceeding on this the 4th day of November, 2016, by facsimile, electronic mail, U.S. first-class mail, postage prepaid, or by hand delivery.

Tammy Hade Shea

Tammy Wavle-Shea

by permission

Debra Edlis

Donna L. Nelson Chairman

Kenneth W. Anderson, Jr., Commissioner

Brandy Marty Marquez Commissioner

Brian H. Lloyd **Executive Director**



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Public Utility Commission of

TO: Simon P. Sequeira Quadvest, L.P. 26926 FM 2978

Magnolia, TX 77354

Commission Staff - Water Utility Regulation Division

Commission Staff - Legal Division

Tariff Control No. 45548 - Application of Quadvest, L.P. to Implement a Pass-RE:

Through Rate Change

NOTICE OF APPROVAL

On January 26, 2016, Quadvest, L.P. (Quadvest) filed its annual true-up report for its district pass-through gallonage fee and an application to implement a pass-through rate increase for fees imposed on the utility by several water districts, with the most significant increase coming from the San Jacinto River Authority. The rate increase was effective January 28, 2016.

On February 17, 2016, Public Utility Commission of Texas (Commission) Staff recommended that the application and notice be deemed sufficient and further that application be approved, as specified in the pleading and attached memorandum of Andrew Novak of the Commission's Water Utility Regulation Division. Quadvest mailed notice to affected customers on January 21, 2016, providing the effective date of the increase, the present calculation of customer billings, new calculation of customer billings, changes in charges to the utility for purchased water or water use fees, and the necessary required language by 16 Tex. Admin. Code § 24.21(h)(4)(b). Additionally, Quadvest provided the Commission a copy for the notice sent to customers, proof that the cost of purchased water has changed by the stated amount, and the calculation of the new rate. Commission Staff stated that Quadvest has met all of the requirements set out by the Commission's substantive rules to implement the pass-through fce increase to affected customers. New tariff pages for Quadvest that reflect the rate increase were attached to Commission Staff's recommendation.



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EXHIBIT

Consistent with Commission Staff's recommendation, Quadvest's application and notice are sufficient and the pass-through rate as noticed on January 21, 2016 is approved. The approved tariff pages are attached to this Notice.

SIGNED AT AUSTIN, TEXAS on the

_ day of February 2016.

PUBLIC UTILITY COMMISSION OF TEXAS

SUSAN E. GOODSON

ADMINISTRATIVE LAW JUDGE

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WATER UTILITY TARIFF Docket Number: 45548

Ouadvest, L.P. (Utility Name) 26926 FM 2978 (Business Address)

Magnolia, Texas 77354 (City, State, Zip Code) 281/356-5347 (Area Code/Telephone)

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

11612

This tariff is effective in the following counties:

Aransas, Brazoria, Fort Bend, Harris, Jackson, Liberty, Montgomery and Waller

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

Richmond (portion of Bridlewood Estates only - same rates)

This tariff is effective in the following subdivisions or systems:

See attached chart.

TABLE OF CONTENTS

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

SECTION 1.0 - RATE SCHEDULE	2
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SECTION 3.0 - EXTENSION POLICY	11
SECTION 4.0 - DROUGHT CONTINGENCY PLAN	18

APPENDIX A - SAMPLE SERVICE AGREEMENT APPENDIX B - APPLICATION FOR SERVICE

SUBDIVISION	PWS ID NUMBER	COUNTY
Bauer Road	Pending	Harris
Benders Landing I, II	1700678	Montgomery
Benders Landing Estates	1700678	Montgomery
Brazos Lakes	0790363	Fort Bend
Bridlewood Estates	0790350	Fort Bend
Campwood	1700624	Montgomery .
Canterbury Ranch	1700624:-	Montgomery
Chenango Ranch .	0200656	Brazoria
Clear Creek Forest (Section 13 North)	1700576	Montgomery
The Colony	1011806	Harris
Estates of Clear Creek	1700576	Montgomery
Creekside Village	1700742	Montgomery
Decker Oaks Subdivision .	1700605	Montgomery
Grand San Jacinto	14600179	Liberty
Indigo Lakes Estates	1700576	Montgomery
Lake Windcrest	1700624	Montgomery
Live Oak Landing	1610129	Matagorda
Lone Star Ranch	1700655	Montgomery ·
Magnolia Lakes	1700736	Montgomery.
McCall Sound :	1700763	Montgomery
Montgomery Trace	1700577	Montgomery
Mostyn Manor I, II, III	1700669	Montgomery
Northcrest Ranch Section I, II, III	1700623	Montgomery
Oaks of Suncreek	0200640	Brazoria
Red Oak Ranch	1700609	Montgomery
Rocky Creek	1013393	Harris
Sawmill Estates	1700576	Montgomery
Sendera Ranch	1700577	Montgomery
Shaw Acres	1013468	Harris

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	\$28.75 (Includes o gallons)	\$1.75 per 1000 gallons for the first 10,999 gallons
1"	<u>\$71.88</u> .	\$2.00 per 1,000 gallons from 11,000 to 20,999 gallons
11/2"	<u>\$143.75</u>	\$2.25 per 1,000 gallons from 21,000 to 30,999 gallons
2"	· <u>\$230.00</u>	\$3.00 per 1,000 gallons thereafter
3"	<u>\$460.00</u>	*
4".	<u>\$718.75</u>	
6"	<u>\$1.437.50</u>	

An additional pass through gallonage charge of \$2.60 per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the utility. Bluebonnet GRP, Brazoria GRP, City of Rosenburg GRP, North Fort Bend GRP, West Harris Regional, Harris-Galveston Subsidence District, San Jacinto River Authority GRP (Docket No. 45548). SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.

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

Cash X., Check X., Money Order X., Credit Card X., Other (specify) Bank Draft 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.

Section 1.02 - Miscellaneous Fees

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

TAP FEE

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

SUBDIVISION	PWS ID NUMBER	COUNTY
Sierra Woods .	1700624	Montgomery
Sonoma Ridge	1700763	Montgomery
Stonecrest Ranch.	-1700611	Montgomery
Summerset Estates	1700655	Montgomery
Suncreek Estates	0200640	Brazoria
Suncreek Ranch	0200616	Brazoria
Sunrise Bay	1200037	Jackson ·
Sunset Bay	0040055	Aransas
Telge Terrace	1011805	Harris
Timberdale	1011810	Harris
Vaquero River Estates	1610129	Matagorda .
Waterstone Estates	1013389	Harris
Westwood	2370042	Waller
Windcrest Farms	1700577	Montgomery
Yesterdays Crossing	1700758	Montgomery

The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility.

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

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)
SEASONAL RECONNECTION FEE: BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.
TRANSFER FEE
LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)
RETURNED CHECK CHARGE \$25.00 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
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.
METER RELOCATION FEE
METER CONVERSION FEE
GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE: WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASERATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [PUC Subst. R. 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.

Docket No. 45548

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or government body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

 $TGC = \frac{\text{egc+(prr)(cgc)(r)}}{(1.0-r)}.$

Where:

TGC = temporary gallonage charge cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

prr = percentage of revenues to be recovered expressed as a decimal fraction, for this

tariff prr shall equal 0.5

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC 24.21(1),

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party 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 following formula:

 $RVP = (E+(AP-AC))/(JC \times AU)$, Where:

RVP = Adjusted gallonage charge, rounded to the nearest cent

E = Estimated sum of upcoming 12 months of purchase water and groundwater conservation district costs

AP = Actual payments up to 12 months (February through January of previous year)

AC = Actual collections up to 12 months (February through January of previous year)

JC = January month end customer connections

AU= Average annual usage per connection from most recent rate case

The adjusted gallonage charge must be trued up and adjusted every twelve months.

To implement, all notice requirements must be met.

With the annual true up report adjusting the pass through for the next 12 months, the utility shall provide a five year report showing the annual and accumulated difference between pass through amounts collected from customers and amounts actually paid to the entities whose charges are included in the pass through and the formula for the estimates included in the pass through charge, the definition of all variables used in the estimate, the basis for any projections and any standard operating procedures of the utility for estimating.

SECTION 1.0 - RATE SCHEDULE (Continued)

Section 1.01 - Rates

Meter Size 5/8" or 3/4"	Monthly Minimum Charge \$17.08 (Includes o gailons)	,	Gallonage Charge \$2,20 per 1000 gallons
1"	\$ <u>44.95</u>		-
11/2"	\$ <u>80.90</u>		
2"	\$143.84		
3"	\$ <u>269.71</u>		
4"	\$449.51		
6*	\$899.02		•
. 8"	\$1.438.43°		4

An additional pass through gallonage charge of \$2.60 per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility. Bluebonnet GRP, Brazoria GRP, City of Rosenburg GRP, North Fort Bend GRP, West Harris Regional, Harris-Galveston Subsidence District, San Jacinto River Authority GRP (Docket No. 45548). SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.

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

Cash X , Check X , Money Order X , Credit Card X , Other (specify) Bank Draft 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.

Section 1.02 - Miscellaneous Fees

Ouadvest, L.P. (Formerly HHJ, Inc. dba Decker Utilities) Water Utility Tariff Page No. 2d

SECTION 1.0 - RATE SCHEDULE (Continued)

·
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):
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TRANSFER FEE
LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)
RETURNED CHECK CHARGE \$25.00 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
METER TEST FEE
METER RELOCATION FEE
METER CONVERSION FEE
GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE: WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASERATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or government body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

 $TGC = \underbrace{cgc + (prr)(cgc)(r)}_{(1.0-r)}$

Where:

TGC = temporary gallonage charge cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)
prr = percentage of revenues to be recovered expressed as a decimal fraction, for this
tariff prr shall equal 0.5

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC 24.21(l).

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party 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 following formula:

RVP = $(E+(AP-AC))/(JC \times AU)$, Where

RVP = Adjusted gallonage charge, rounded to the nearest cent

E = Estimated sum of upcoming 12 months of purchase water and groundwater conservation district costs

AP = Actual payments up to 12 months (February through January of previous year)

AC = Actual collections up to 12 months (February through January of previous year)

JC = January month end customer connections ...

AU = Average annual usage per connection from most recent rate case

The adjusted gallonage charge must be trued up and adjusted every twelve months.

To implement, all notice requirements must be met.

With the annual true up report adjusting the pass through for the next 12 months, the utility shall provide a five year report showing the annual and accumulated difference between pass through amounts collected from customers and amounts actually paid to the entities whose charges are included in the pass through and the formula for the estimates included in the pass through charge, the definition of all variables used in the estimate, the basis for any projections and any standard operating procedures of the utility for estimating.

Exhibit A Interim Rates

SETTLEMENT RATES FOR CONSOLIDATED SYSTEMS			
	Prefiling	Increase % Decrease -	Settlement.
	QV Rates	- %	Rates
leter Equivalency Phase I & II Rate	incresses		\$0.00
luadvest Original			
Monthly Meter Charge:			
5/8" x 3/4"	\$28.75	0.0%	\$28.75
3/4"	\$28.75	0.0%	\$28.75
1,*	\$71.88	0.0%	\$71.88
1 1/2"	\$143.75	0.0%	\$143.75
2"	\$230.00	0.0%	\$230.00
3"	\$460.00	-6.3%	\$431.25
4"	\$718.75	0.0%	\$718.75
6°	\$1,437.50	0.0%	\$1,437.50
8*	n/a	n/a	\$2,300.00
10"	n/a	n/a	\$3,306.25
12"	n/a	n/a	\$6,181.25
	·	• •	
Gallonage Charge:			
First 10,000 Gallons	\$1.75	0.0%	\$1.75
From 10,001 to 20,000 Gallons	\$2,00	0.0%	\$2.00
From 20,001 to 30,000 Gallons	\$2.25	0.0%	\$2.25
Over 30,000 Gallons	\$3.00	-2.3%	\$2.93 [,]

EXHIBIT

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge*	Gallonage Charge
5/8" or 3/4"	\$28.75 (Includes 0 gallons)	\$1,75 per 1000 gallons for the first 10,000 gallons
1"	<u>\$71.88</u>	\$2,00 per 1,000 gallons from 10,001 to 20,000 gallons
11/2"	<u>\$143.75</u>	\$2,25 per 1,000 gallons from 20,001 to 30,000 gallons
2"	\$230,00	\$2.93, per 1,000 gallons thereafter
3"	<u>\$431.25</u>	
4"	<u>\$718.75</u>	
6"	<u>\$1,437.50</u>	
8"	\$2,300,00	
10"	\$3,306.25	
12"	\$6,181,25	

^{*}The Monthly Minimum Charge for any meter sizes larger than 12" will be calculated using American Water Works Association approved meter equivalency factors.

An additional pass through gallonage charge of \$2.60 per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the utility. Bluebonnet GCD, Brazoria County GCD, City of Rosenburg, North Fort Bend Water Authority, West Harris County Regional Water Authority, North Harris County Regional Water Authority, Harris-Galveston Subsidence District, Lone Star GCD, San Jacinto River Authority (Docket No. 45548). SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft 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.

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

Section 1.02 - Miscellaneous Fees

TAP FEE (Large meter)

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

TAP FEE (Unique Costs)

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE A SUBDIVISION IS A UNIQUE COST. UNIQUE COSTS WILL BE DETERMINED ON A CASE BY CASE BASIS.

