



Control Number: 44849



Item Number: 22

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**DOCKET NO. 44849**

**APPLICATION OF VM NEIGHBORS § PUBLIC UTILITY COMMISSION: 25**  
**WATER GROUP FOR EXEMPT §**  
**UTILITY REGISTRATION § OF TEXAS**

**COMMISSION STAFF'S FINAL RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff's Final Recommendation. In support thereof, Staff shows the following:

**I. BACKGROUND**

On June 16, 2015, VM Neighbors Water Group (VM Neighbors) filed an application for exempt utility registration. On July 16, 2015, Order No. 2 was issued finding VM Neighbors' application deficient, and identified the need for the nine tracts making up CM Neighbors' requested area to be decertified from the Childress Creek Water Supply Corporation certification of convenience and necessity (CCN) No. 11000. In response to Order No. 2, VM Neighbors requested that the Commission abate this docket until such decertification was complete in Docket No. 44843.<sup>1</sup> Order No. 3, issued August 20, 2015 granted the requested abatement. Order No. 6, issued August 1, 2017 lifted the abatement and allowed for continued processing of this docket.

Order No. 8, issued October 4, 2017, required Staff to file a final recommendation by November 1, 2017. Therefore, this pleading is timely filed.

**II. FINAL RECOMMENDATION**

Staff has reviewed VM Neighbors' application and supplemental information and, as supported by the attached memorandum of Debbie Reyes Tamayo of the Water Utilities Division (Attachment A), Staff recommends that the application for exempt utility registration status be approved. Attached to this pleading is a final map (Attachment B) and an exempt utility tariff (Attachment C).

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<sup>1</sup> *Application of Childress Creek Water Supply Corporation to Amend its Water Certificate of Convenience and Necessity in Bosque County by Decertifying the VM Neighbors Water Group Tracts*, Docket No. 44843 (Sep. 7, 2016).

### **III. CONCLUSION**

Staff recommends that VM Neighbors' application for exempt water utility registration be approved.

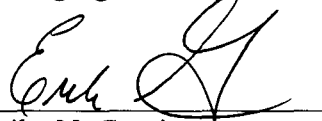
Dated: November 1, 2017

Respectfully Submitted,

#### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

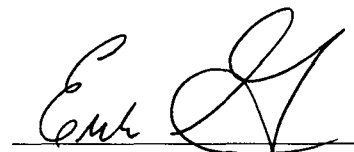
Karen S. Hubbard  
Managing Attorney



Erika N. Garcia  
State Bar No. 24092077  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7290  
(512) 936-7268 (facsimile)  
Erika.garcia@puc.texas.gov

#### **DOCKET NO. 44849 CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on November 1, 2017 in accordance with 16 TAC § 22.74.

  
Erika N. Garcia

# **ATTACHMENT A**

## PUC Interoffice Memorandum

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**To:** Erika Garcia, Attorney  
Legal Division

**From:** Debbie Reyes Tamayo, Program Specialist  
Water Utility Regulation Division

**Thru:** Lisa Fuentes, Manager  
Water Utility Regulation Division

**Date:** October 31, 2017

**Subject:** Docket No. 44849, *Application of VM Neighbors Water Group for Exempt Utility Registration*

On June 17, 2015, VM Neighbors Water Group (Applicant), filed an application for exempt utility registration pursuant to Texas Water Code § 13.242(c) and 16 Tex. Admin. Code § 24.103(d) (TAC).

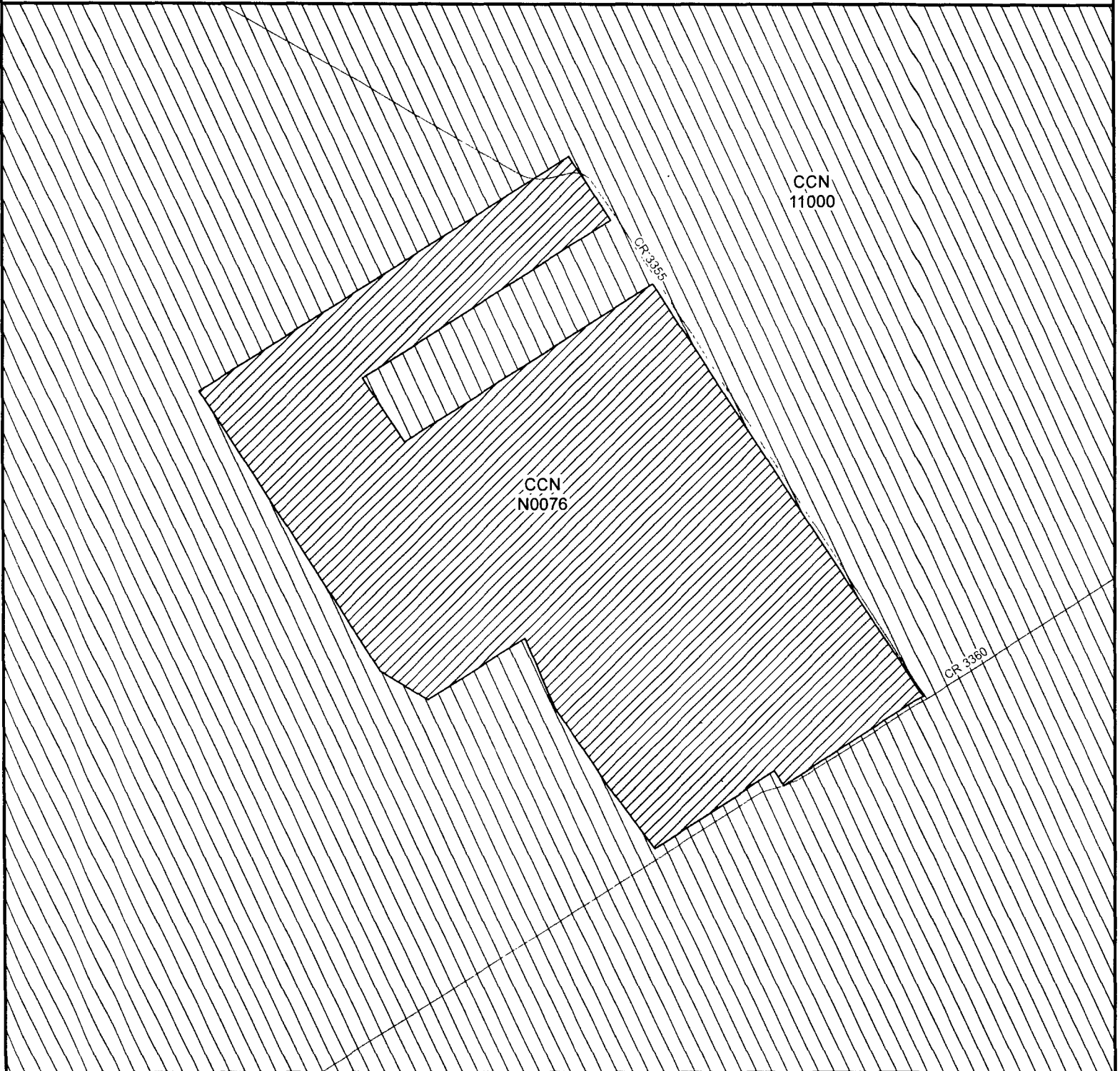
16 TAC § 24.103(d) states that a utility is exempt from the requirement to possess a Certificate of Convenience and Necessity (CCN) in order to provide retail water service if it has less than 15 potential service connections. Based on the information provided, it appears the Applicant has the potential to serve less than 15 retail water service connections. The Applicant asserts there are nine (9) active water connections and no plans to add additional service connections. The requested area includes approximately 100 acres.

The Applicant meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations. Therefore, Staff recommends the Applicant be registered with the Commission as an Exempt Utility and assigned Exempt Registration No. N0076, and that the Applicant be provided a copy of the attached final map and exempt tariff

Further, as a retail public utility, the Applicant is required to collect and remit the Regulatory Assessment Fee (RAF) to the Commission annually. For investor owned utilities, this fee is 1% of the amount the utility will receive for providing water utility service.

## **ATTACHMENT B**

VM Neighbors Water Group  
Exempt Utility Registration No. N0076  
PUC Docket No. 44849  
Bosque County



Public Utility Commission of Texas  
1701 N. Congress Ave  
Austin, TX 78701

**Exempt Utility**

 N0076 - VM Neighbors Water Group

**Water CCN**

 11000 - Childress Creek WSC

0 300 600  
Feet



Map by Komal Patel  
Date created October 17, 2017  
Project Path n\finalmapping\44849VMNeighbors.mxd

# **ATTACHMENT C**





## EXEMPT UTILITY WATER TARIFF FORM

**Docket No. 44849**

**Exempt Registration No. N0075**

VM Neighbors Water Group  
(Water System Name)

(254)576-1941 and (254)576-1314  
(Phone Number)

P.O. Box 368  
(Utility Address)

Hubbard, Texas 76648  
(City, State, Zip Code)

<u>Rate Schedule</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
Residential	<u>\$50.00</u> (Including 0 gallons)	<u>\$3.00</u> per 1000 gallons
Commercial	<u>\$150.00</u> (Including 0 gallons)	<u>\$4.00</u> per 1000 gallons

TAP FEE..... 500.00

OTHER EXTENSION FEES ..... \$0.00

REGULATORY ASSESSMENT..... 1.0%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER.

### RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill (not to exceed \$25 without justification) ..... \$25.00
- b) Customer's request ..... \$50.00
- c) Other Reasons (specify)..... \$0.00

LATE CHARGE..... \$5.00

FOR BILL NOT RECEIVED BY DUE DATE. (SELECT EITHER \$5.00 OR 10%).

RETURNED CHECK CHARGE..... \$25.00

CUSTOMER DEPOSIT ..... \$50.00

METER TEST FEE (Not to exceed \$25) ..... \$25.00

The attached Service Rules are part of this tariff.

CUSTOMER NOTICE: THIS UTILITY SERVICE PROVIDER IS EXEMPT FROM MANY OF THE REQUIREMENTS FOR UTILITIES, BUT IT STILL MUST COMPLY WITH THESE SERVICE RULES. THE COMMISSION WILL NOT REVIEW RATE CHANGES UNLESS PROTESTED BY AT LEAST 50% OF THE CUSTOMERS WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THE RATE CHANGE.

**Docket No. 44849**

REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES

Rate Changes - Rates can be changed no more than once per year without the approval of the Commission. Customers will be given a notice of rate change which states the effective date of the rate change, the old rates, the new rates, the Commission's address and a statement that written protests can be submitted to the Commission.

Application for and Provision of Water Service

All new applicants will be given a copy of this Exempt Utility Tariff.

Where service has been disconnected for nonpayment of a bill, service will be reconnected within one working day after the customer has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service line from the utility's point of connection on the customer's property to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Refusal of Service

This exempt utility is not required to have a designated service area and is not obligated to serve every applicant for service but is required to provide service in a nondiscriminatory manner.

Customer Deposits

Refund of deposit - If service is not connected, or after permanent disconnection of service to a customer, the utility will promptly refund, within 30 days, the customer's deposit or the balance, if any, in excess of the unpaid bills for service furnished.

Meter Requirements, Readings, and Testing

One meter or connection may be required for each customer. The exempt utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make a test of the accuracy of the customer's meter. The test may be made using a container of known volume.

A meter test will cost \$25.00. Following the completion of any requested test, the utility will promptly advise the customer in writing of the results. If the meter is in error by more than 3% the meter should be replaced at the utility's expense. Meters will be read at (preferably monthly) intervals.

Billing

Bills from the utility will be mailed at intervals specified in the service agreement. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees, is not received at the designated payment location by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

Late Fee - A late penalty may be charged (if listed on the tariff) on bills received after the due date. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide at least the following: The total amount due for water service, the due date of the bill and a telephone number (or numbers) for customers to call if they have questions.

REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES (Continued)

Metered Service

If service is metered the bill must also state the date and reading of the meter at the beginning and end of the period for which the bill is rendered, and the numbers of gallons consumed.

Service Disconnection and Disputed Bills

If a customer or applicant for service files a complaint about all or a portion of the bill, the utility will promptly investigate the matter and advise the complainant of the results. Service may not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he/she has recourse through the Public Utility Commission of Texas complaint process. Pending resolution of a complaint, the Commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

The exempt utility is encouraged, but not required, to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of disconnection has been given.

Notice of disconnection must be a separate mailing or hand delivery.

Utility service may also be disconnected without notice if an imminent hazard to the utility system exists.

The utility is required to reconnect service after a customer who has been disconnected for nonpayment pays a delinquent bill and any other applicable fees in accordance with this tariff and any applicable service agreement. The utility may permanently disconnect service to an existing customer only if authorized to in writing by the Commission after notice has been issued.

Reconnection of Service

Service will be reconnected within 24 hours, unless otherwise stated on the service agreement, after the past due bill, reconnection fee and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time.

Quality of Service

The utility will provide properly treated and disinfected water and facilities with sufficient pressure and capacity for reasonable consumer uses unless otherwise stated on the service agreement.

Standard Extension Requirements

All practices and policies related to the extension of service to new applicants or restoration of service must be reasonable and nondiscriminatory.

Specific Utility Rules (May not conflict with Commission required Rules. Attach additional pages if needed.)

WATER SERVICE APPLICATION/AGREEMENT

Date: \_\_\_\_\_

Exempt Utility Name VM Neighbors Water Group  
Business Address Street P.O.Box 368  
City, State, Zip Hubbard, TX 76648  
(AC) Telephone (254)576-1941

APPLICATION FOR WATER SERVICE

Name of Applicant/Customer: \_\_\_\_\_  
Service Location: \_\_\_\_\_  
Billing Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

Check Applicable Items:

☐ Residential ☐ Owner  
☐ Commercial ☐ Tenant

The Exempt Utility agrees to sell and deliver water to the Applicant and the Applicant agrees to purchase and receive water from the Utility in accordance with the rules and regulations required by the Public Utility Commission of Texas which are included in its Exempt Utility Tariff and any other rules or requirements contained in this agreement.

Water **will** \_\_\_\_ **will not** \_\_\_\_ be disinfected. Water **will** \_\_\_\_ **will not** \_\_\_\_ be measured by meters which are furnished, installed, owned and maintained by the Utility. The meter and/or connection is for the sole use of the Applicant/Customer to serve water to one dwelling, business or property. The Applicant/Customer shall not share, resell, or submeter water to any other dwelling, business, property, etc., without the specific written authorization of the Utility and in compliance with applicable laws and regulations.

The Utility has the right to locate a water service meter/connection and the pipe necessary to connect the meter to the utility's water main on the property of the Applicant at a point mutually agreeable to both the Utility and the Applicant. The Applicant/Customer will allow the Utility access at all reasonable times to its property and equipment located upon Applicant/Customer's premises for the limited purposes of reading the water meter, repairing or replacing existing facilities and the inspection of the Applicant/Customer's facilities to check for illegal connections or unsafe plumbing practices or cross-connections, in compliance with the requirements of the Texas Commission on Environmental Quality's "Rules and Regulations for Public Water Systems."

The Applicant will install, at his own expense, a service line from the water meter/connection to the Applicant's point of use which **includes** \_\_\_\_ / **does not include** \_\_\_\_ a cutoff valve on the Applicant's side of the water meter/connection. The Applicant/Customer will be responsible for maintenance and repair of the Applicant/Customer's service line. The Applicant/Customer shall hold the Utility harmless from any and all claims or demands for damage to real or personal property occurring from the point the Applicant/Customer ties on the water meter/connection to the final destination of the line installed by Applicant/Customer.

The Applicant agrees to grant to the Utility an easement/right-of-way for the purpose of installing, maintaining and operating such pipe lines, meters, valves, and any other equipment which may be deemed necessary for the provision of Utility service to that Applicant/Customer. The Utility will attempt to restore the Applicant/Customer's property to its original condition after installation or repairs. This easement may be in such form as is required by the Utility. The Applicant/Customer agrees not to interfere with the Utility's employees in the discharge of their duties. The Applicant/Customer will not permit anyone except the Utility's employees to tamper with or interfere with any of the utility's equipment installed on the Applicant/Customer's premises.

Non-Standard Service

Will the Applicant's use of water place unique, non-standard service demands upon the system or require any special facilities?

☐ No ☐ Yes If yes, please describe.

**OTHER AGREEMENTS OR REQUIREMENTS FOR SERVICE**

The service applicant has been provided a copy of the utility's Exempt Utility Tariff and agrees to pay the rates in the tariff and abide by the requirements in this service agreement. This utility is exempted from most of the requirements for water utilities as long as service is provided in accordance with the Exempt Utility Tariff. The Commission will not review rate changes by the utility unless it receives written protests from at least 50% of the customers within 90 days after the effective date of a rate change.

\_\_\_\_\_  
Applicant/Customer's Signature

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

\$ \_\_\_\_\_ Tap Fee Collected

\$ \_\_\_\_\_ Deposit Collected

Service will be connected at the service location on or about \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Utility Representative

Date \_\_\_\_/\_\_\_\_/\_\_\_\_