



Control Number: 45049



Item Number: 1

Addendum StartPage: 0

45049

Lakeland Section 4 Water Operations Office
A-1 Utility & Construction Services, Inc.
27351 Blueberry Hill Drive, Suite 36
Conroe, Texas 77385-8969

RECEIVED

2015 AUG 18 AM 9:13

Phone (281) 367-0935

PUBLIC UTILITY COMMISSION
FILING CLERK

August 11, 2015

Public Utility Commission of Texas
PO Box 13326
Austin, Texas 78711-3326

RE: Increase in pass through rate
Lakeland Section 4 Civic Club Water - CCN #12270

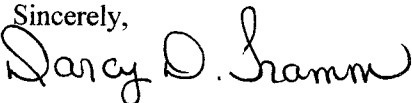
To Whom it may concern,

The above referenced water system is part of the San Jacinto River Authority Groundwater Reduction Plan which currently charges the water system a pumping fee of \$2.25 per 1,000 gallons. Your office granted our previous pass through change application on November 4, 2014. This allowed us to charge our customers \$2.64 per 1,000 gallons. The SJRA has notified us that the rate will be increasing from \$2.25 to \$2.32 per 1,000 gallons effective September 1, 2015. This letter is to serve as a request to increase the current pass through charge of \$2.64 to \$2.72 effective September 1, 2015.

I have included a copy of the SJRAGRP rate increase notification (June 30, 2015) and a copy of the notice of proposed increase in pass through rate that was mailed to all customers receiving water service from the system on July 31, 2015.

Based on 30 TAC 291.21(h)(5) I believe I have included all of the information required in the notice to the commission. In the event additional information, not listed in this section of the Texas Administrative Code, is required please contact me as soon as possible to complete our request.

Sincerely,



Darcy Tramm, Office Manager
District Operations Company

Enclosures: 06/30/15 letter from SJRA explaining rate increase
Copy of notice of proposed increase pass through rate sent to customers
Rate calculation worksheet
Usage and Loss Report (previous 12 months)
Approval letter for previous increase (11/04/2014)
Water Tariff Pages 1, 2 & 2A effective 09/01/2014



San Jacinto River Authority

ADMINISTRATIVE OFFICE
PO Box 329 • Conroe, Texas 77305
T: 936 588 1111 • F: 936 588 3043

June 30, 2015

Lakeland Section 4 Civic Club
c/o: A-1 Utility
Attn: Darcy Tramm
27351 Blueberry Hill, #36
Conroe, TX 77385

Re: San Jacinto River Authority (the "Authority") – Notice of Adoption of Amended Groundwater Reduction Plan ("GRP") Rate Order

Dear GRP Participant:

On June 22, 2015 the GRP Review Committee voted to recommend the adoption of an amended GRP Rate Order. On June 25, 2015, the Authority's Board of Directors adopted the amended GRP Rate Order as recommended. The amended GRP Rate Order is available on the Authority's website at www.SJRA.net/GRP under the "GRP Participant Info" tab. We recommend that you review same at your earliest convenience, as the amended GRP Rate Order is effective on July 1, 2015.

Under the amended GRP Rate Order, the Pumpage Fee and Import Fee will increase from the current rate of \$2.25/1,000 gallons to \$2.32/1,000 gallons, effective September 1, 2015. Also, the Surface Water Fee will increase from the current rate of \$2.44/1,000 gallons to \$2.51/1,000 gallons, effective September 1, 2015.

We call to your attention that our region has received approximately 60% more rainfall than average for the current calendar year. Many GRP Participants are experiencing decreased water demands due, in significant part, to the wet weather. GRP revenue collections are below budget as a result. The Authority will continue to monitor water demands and GRP revenues and may recommend actions to the GRP Review Committee and to the Authority's Board of Directors to counteract this trend, should it continue.

In closing, we would like to note that on June 9, 2015, the Lone Star Groundwater Conservation District ("Lone Star") deferred action on proposed amendments to its District Regulatory Plan. If, as and when the proposed amendments are adopted by Lone Star, additional amendments to the GRP Rate Order may be required. The Authority will, of course, notify you at least 45 days prior to any such amendment to the GRP Rate Order.

If you have any questions about the amended GRP Rate Order or would like to receive a paper copy of same, please feel free to contact me by telephone at (936) 588-1662.

Sincerely,

Mark Smith
GRP Administrator

NOTICE OF PROPOSED INCREASE IN PASS THROUGH RATE

Lakeland Section Four Civic Club Water System

12270

Company Name

CCN Number

has a pass through rate provision as part of water utility tariff on file with the Texas Public Utility Commission (Commission). This tariff change is being implemented in accordance with the utility's approved water use fee adjustment clause to recognize increases in the water use fee. Please read all information carefully.

Lakeland Section 4

Subdivision Affected by Pass Through Provision

77384

Zip Codes Affected by Pass Through Provision

27351 Blueberry Hill Drive, Suite 36 Conroe Texas 77385-8969 (281) 367-9419

Company Address

City

State

Zip

Phone #

July 31, 2015

September 1, 2015

Date Customer Notice Mailed

Effective Date of the Increase

PASS THROUGH RATE PROVISION: For utilities subject to changes in cost imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases shall be passed through as an adjustment to the base rate and gallonage charge according to the formulas:

Adjusted Base Rate (ABR) = $BR + [(B \times N)/(1 - L)]$, Where:

ABR = adjusted base rate, rounded to nearest one cent;

BR = approved base rate charge;

B = change in fee (per 1,000 gallons);

N = no. of 1000 Gals included in base rate;

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

Adjusted Base Rate = Approved Base Rate + [(change in fee x # of gallons included)/(1-water loss)]

Base Rate (SJRA-GRP) $ABR = 19.34* + [(2.32 \times 3)/(1-0.15)] = 19.34* + [6.96/0.85] = 19.34* + 8.18 = 27.52$

**Approved base rate charge per Water Tariff dated September 1, 2012 is \$19.13 (includes 3,000 gallons on all meters), plus \$0.07 per 1,000 gallons – LSGCD fees*

Adjusted Gallonage Rate (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%)

Adjusted Gallonage Rate = Approved Gallonage Charge + [change in fee/(1-water loss)]

Gallon Rate (SJRA-GRP) $AG = 2.24** + [2.32/1-0.15] = 2.24 + [2.32/0.85] = 2.24 + 2.72 = 4.96$

***Gallonage charge per Water Tariff dated September 1, 2012 is \$2.17 per 1,000 gallons, plus \$0.07 per 1,000 gallons – LSGCD fees*

To modify the pass through provision, the utility must comply with all notice and other requirements of 30 TAC 291.21(h).

This notice is to make you aware that the SJRA GRP rate charged to you on your monthly water bill is changing from \$2.65 per 1,000 gallons billed to \$2.72 per 1,000 gallons billed effective with bill due 11/16/2015 (water usage from 09/21/2015 to 10/21/2015).

Please call the billing office if you have any questions regarding this change at (281) 367-0935.

➤ **Note:** Please identify the items listed below and any assumptions used to calculate the adjusted gallonage rate and to project revenues and expenses.

Water Loss (%): (Gals Pumped - Gals Billed) / Gas Pumped X 100 = 19.04 %

Current Rates Charged: Base Rate (includes 3,000 gals): Gallonage Charge (per 1,000 gallons):
\$ 19.13 /1,000 gallons

"5/8 or 3/4" \$ 19.13 Additional gallonage charges: 2.17 \$ /1,000 gallons

1" \$

2" \$

Larger \$

EXAMPLE OF A PASS THROUGH PROVISION:

for utilities subject to changes in cost imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

SHOW YOUR PROPOSED CALCULATIONS:

Adjusted Base Rate (ABR) = $BR + [(B \times N)/(1 - L)]$, Where:

ABR = adjusted base rate, rounded to nearest one cent;

BR = approved base rate charge;

B = change in fee (per 1,000 gallons);

N = no. of 1000 Gals included in base rate (do not use zero);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

Adjusted Base Rate = Approved Base Rate + [(change in fee x # of gallons included)/(1-water loss)]

Base Rate (SJRA-GRP) $ABR = 19.34* + [(2.32 \times 3)/(1-0.15)] = 19.34* + [6.96/0.85] = 19.34* + 8.18 = 27.52$

**Approved base rate charge per Water Tariff dated September 1, 2012 is \$19.13 (includes 3,000 gallons on all meters), plus \$0.07 per 1,000 gallons – LSGCD fees*

Adjusted Gallonage Rate (AG) = $G + [B/(1 - L)]$, Where:

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B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

Adjusted Gallonage Rate = Approved Gallonage Charge + [change in fee/(1-water loss)]

Gallon Rate (SJRA-GRP) $AG = 2.24** + [2.32/1-0.15] = 2.24 + [2.32/0.85] = 2.24 + 2.72 = 4.96$

***Gallonage charge per Water Tariff dated September 1, 2012 is \$2.17 per 1,000 gallons, plus \$0.07 per 1,000 gallons – LSGCD fees*

☞ IF AN ALTERNATE METHOD OF CALCULATION IS USED, PLEASE EXPLAIN AND DEFINE CLEARLY.

USAGE AND LOSS REPORT

Lakeland Section 4

Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001 50000	30001 40000	20001 30000	10001 20000	8001 10000	6001 8000	4001 6000	2001 4000	1 2000
08-14	1,170,000	1,116,000	4.62	10,145	110	12	1	1	0	5	11	4	11	17	26	22
09-14	922,000	617,000	33.08	5,609	110	15	0	0	0	4	13	5	11	17	21	25
10-14	454,000	393,000	13.44	3,573	110	22	0	0	0	1	4	8	7	8	29	31
11-14	758,000	461,000	39.18	4,191	110	14	0	0	0	3	5	4	7	9	38	30
12-14	705,000	477,000	32.34	4,297	111	17	0	1	1	1	5	3	6	13	34	29
01-15	617,000	432,000	29.98	3,927	110	19	1	0	1	0	2	1	7	13	37	28
02-15	431,000	383,000	11.14	3,482	110	19	0	0	0	1	1	3	9	20	31	26
03-15	325,000	309,000	4.92	2,809	110	20	0	0	0	0	0	1	4	19	34	32
04-15	365,000	340,000	6.85	3,091	110	18	0	0	0	0	2	4	5	14	32	35
05-15	420,000	343,000	18.33	3,118	110	17	0	0	1	0	2	2	5	14	24	45
06-15	507,000	475,000	6.31	4,318	110	20	0	0	1	2	5	3	8	18	27	27
07-15	500,000	467,000	6.60	4,245	110	19	0	0	1	0	6	7	8	11	29	28

12 Month Totals

Total Water Pumped 7,174,000
 Total Water Sold 5,813,000
 Total Used for Fire/Flush 0
 Total Water Loss 1,361,000
 Total Water Loss Percent 18.97 %

Qualified By: System Totals 08-14 to 07-15
 A-1 Utility & Construction

Monthly Averages

Average Water Pumped 597,833
 Average Water Sold 484,417
 Average Used for Fire/Flush 0
 Average Water Loss 113,417
 Average Water Loss Percent 18.97 %
 Average Customer Use 4,401

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy D. Marty
Commissioner

Brian H. Lloyd
Executive Director



Rick Perry
Governor

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2014 NOV -4 PM 12:07

PUBLIC UTILITY COMMISSION
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Public Utility Commission of Texas

TO: Darcy Tramm
Lakeland Section Four Water Operations OFC
A-1 Utility & Construction Services Inc.
27351 Blueberry Hill Dr., Ste. 36
Conroe, TX 77385-8969

Commission Staff – Rate Regulation – Tariff and Rate Analysis
Commission Staff – Legal Division

RE: Tariff Control No. 43100 - *Application of Lakeland Section Four Civic Club Water System for Pass Through Rate Change (38010-R)*

NOTICE APPROVING PASS THROUGH RATE CHANGE

On August 15, 2014, Lakeland Section Four Civic Club Water System (Lakeland) filed an application for approval to pass through an increase in the water system pumping fee as part of the San Jacinto River Authority Groundwater Reduction Plan. Lakeland listed its Lakeland Water System, PWS ID#1700019 in Montgomery County as the system affected by the pass through adjustment.

On October 31, 2014, Commission Staff found Lakeland's application to be administratively complete, satisfying the requirements of P.U.C. SUBST. R. 24.21(h)(4) and (5), and recommended approval.

Consistent with Commission Staff's recommendation, Lakeland's pass through rate change is approved, subject to refund of any over collected amounts in excess of the purchased water costs for the same length of time as the proposed rates were collected.

SIGNED AT AUSTIN, TEXAS on the 4th day of November 2014.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in dark ink, appearing to read "Irene Montelongo", written over a horizontal line.
IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT

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WATER UTILITY TARIFF

Docket Number: 43100

Lakeland Section Four Civic Club, Inc.
(Utility Name)

P.O. Box 9975
(Business Address)

The Woodlands, Texas 77387
(City, State, Zip Code)

281/367-9419
(Area Code/Telephone)

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

12270

This tariff is effective in the following counties:

Montgomery

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

N/A

This tariff is effective in the following subdivisions or systems:

Lakeland Water System, PWS ID# 1700019

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
SECTION 2.0 -- SERVICE RULES AND POLICIES	3
SECTION 3.0 -- EXTENSION POLICY	8
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	10
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" x 3/4"	\$ <u>19.13</u> (Includes 3,000 gallons all meters)	\$ <u>2.17</u> per 1000 gallons over the minimum *PLUS Additional pass through fees listed below

*Additional Pass Through Fees - apply to **all** gallonge used:

Lone Star Groundwater Conservation District (GCD) Fee..... \$0.07 per 1,000 gallons
(effective September 1, 2010 under application No. 36757-R);

San Jacinto River Authority (SJRA) \$2.64 per 1,000 gallons
(The SJRA GRP fee of \$2.25 adjusted for 15% water loss.)

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

Section 1.02 - Miscellaneous Fees

TAP FEE 5/8x3/4" Meter \$450.00
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 (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN
STANDARD 1" METER.

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.

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.

Docket Number: 43100

SECTION 1.0 -- RATE SCHEDULE (CONT.)

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..... \$25.00

TRANSFER FEE \$10.00

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

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

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 (LSGCD & SJRA):

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 per 1,000 gallon gallonage charge

B = change in district fee (per 1,000 gallons)

L = system average line loss for preceding 12 months, not to exceed 0.15

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).

Docket Number: 43100