



Control Number: 45491



Item Number: 16

Addendum StartPage: 0

RECEIVED

2016 SEP 23 PM 2:56

**APPLICATION OF RANKIN PARK  
MAINTENANCE & UTILITIES  
COMPANY FOR CLASS B  
RATE/TARIFF CHANGE**

§  
§  
§  
§  
§  
§  
§

**PUBLIC UTILITY COMMISSION**  
PUBLIC UTILITY COMMISSION  
FILING CLERK  
**OF TEXAS**

**JOINT MOTION FOR ADMISSION OF EVIDENCE AND APPROVAL OF  
PROPOSED ORDER**

COMES NOW the Staff ("Staff") of the Public Utility Commission of Texas ("Commission"), representing the public interest, and files this Joint Motion for Admission of Evidence and Approval of Proposed Order.

**I. BACKGROUND**

On January 4, 2016, Rankin Park Maintenance & Utilities Company ("Rankin") filed an application for a rate/tariff change. Staff and Rankin (collectively, "the Signatories"), which are the only parties to this proceeding, have entered into a unanimous stipulation regarding the application and now move for the admission of evidence and approval of the Signatories' proposed order. Rankin indicated to Staff that Staff may file this motion on behalf of all of the Signatories.

**II. SUMMARY OF THE STIPULATION**

The Signatories believe that a resolution of this docket consistent with the stipulation is reasonable and in the public interest.

The Signatories agree that Rankin should be allowed to implement the retail water utility rates contained in the tariff included as Attachment A to the Stipulation. The Signatories agree that the stipulated rates are consistent with an overall revenue requirement of \$204,846, comprising \$109,343 for water and \$95,503 for sewer. The Signatories agree that the agreed revenue

requirement is reasonable and in the public interest. The Signatories further agree that the stipulated revenues also compensate Rankin for all rate-case expenses incurred in this proceeding.

The effective date of the new rates will be the first day of the month following Commission approval of the stipulated rates. The Signatories agree that these rates are just and reasonable and consistent with the public interest.

Finally, the Signatories agree that the difference between the adopted rates and the rates charged by Rankin during the pendency of the proceeding totals to approximately \$800. This difference is minimal and does not warrant a refund given that Rankin's rate case expenses are included in the proposed rates. As a result, the Signatories agree that no refunds or credits are necessary.

### **III. MOTION TO ADMIT EVIDENCE**

The Signatories respectfully request that the Administrative Law Judge admit the following documents into evidence for the purpose of supporting a Commission order approving the proposed settlement.

1. Rankin's application, filed on January 4, 2016, including the supplemental information filed on February 26, 2016,
2. EOWS's discovery responses, filed on April 22, 2016,
3. the unanimous stipulation, including attachments, filed on the same day as this motion, and
4. the memorandum of Patricia Garcia, Water Utilities Division, in support of the stipulation, filed on the same day as this motion.

### **IV. MOTION FOR ADOPTION OF THE PROPOSED ORDER**

The Signatories respectfully request that the Commission adopt a final order approving the unanimous stipulation consistent with the parties' proposed final order.

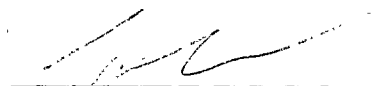
Date: September 23, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

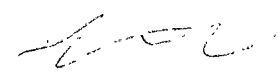
Stephen Mack  
Managing Attorney

  
\_\_\_\_\_  
A. J. Smullen  
State Bar No. 24083881  
(512) 936-7289  
Landon J. Lill  
State Bar No. 24092700  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7268 (facsimile)

**DOCKET NO. 45491**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on September 23, 2016 in accordance with 16 TAC § 22.74.

  
\_\_\_\_\_  
Landon J. Lill

## DOCKET NO. 45491

APPLICATION OF RANKIN PARK  
MAINTENANCE & UTILITIES  
COMPANY FOR CLASS B  
RATE/TARIFF CHANGE

§  
§  
§  
§  
§  
§  
§

PUBLIC UTILITY COMMISSION  
OF TEXAS

### UNANIMOUS STIPULATION AND SETTLEMENT AGREEMENT

This Unanimous Stipulation and Settlement Agreement (Stipulation) is entered into by the parties in this case, who are the Staff (Staff) of the Public Utility Commission of Texas (Commission) and Rankin Park Maintenance & Utilities Company ("Rankin") (collectively, Signatories).

#### I. BACKGROUND

On January 4, 2016, Rankin filed an application for a rate/tariff change. The Signatories have engaged in settlement discussions and reached the agreement reflected herein. On August 12, 2016, Staff filed a motion to abate the procedural schedule and motion for interim rates on behalf of the Signatories, indicating that an agreement in principle had been reached and requesting the approval of interim rates to be effective for usage on or after the first day of the first complete billing cycle following the approval of the interim rate pursuant to 16 Tex. Admin Code § 24.29. On August 19, 2016, Order No. 5 was entered, granting the motion for interim rates.

The Signatories believe that a resolution of this docket pursuant to the terms stated below is reasonable and in the public interest. Settlement will also conserve the resources of the parties and the Commission and will mitigate controversy. The Signatories jointly request Commission

approval of this Stipulation and entry of orders, findings of fact, and conclusions of law consistent with the approval. By this Stipulation, the Signatories resolve all issues among them related to Rankin's application, and agree as follows:

## **II. STIPULATION AND AGREEMENT**

### **1. Agreements as to Rate/Tariff Changes.**

- a. Retail Water Utility Rates.** The Signatories agree that Rankin should be allowed to implement the retail water utility rates contained in the tariff included as **Attachment A** to this Stipulation for the water system included in Rankin's application. The effective date will be the first day of the month following Commission approval of the rates contained in the **Attachment A**. The Signatories agree that the attached rates are just and reasonable and consistent with the public interest.
- b. Revenue Requirement.** The Signatories agree that the stipulated rates are consistent with an overall revenue requirement of \$204,846, comprising \$109,343 for water and \$95,503 for sewer. The Signatories agree that the agreed revenue requirement is reasonable and in the public interest. The Signatories further agree that the stipulated revenues also compensate Rankin for all rate-case expenses incurred in this proceeding.
- c. Tariff Provisions.** The Signatories agree that **Attachment A** to this Stipulation should be the governing water utility rates, terms, treatments, and conditions for Rankin's ratepayer customers.
- d. Refunds/Credits.** The Signatories agree that the difference between the adopted rates and the rates charged by Rankin during the pendency of the proceeding totals

to approximately \$800. This difference is minimal and does not warrant a refund given that Rankin's rate case expenses are included in the proposed rates. As a result, the Signatories agree that no refunds or credits are necessary.

3. **Proposed Order.** The Signatories jointly propose that the Commission issue a final order in the form attached as **Attachment B**. The Signatories submit the stipulated and agreed upon Findings of Fact and Conclusions of Law included in the proposed order in **Attachment B** for the Commission's adoption of and inclusion in a final order in this case implementing the terms of this Stipulation.
4. **Notice of the Proposed Rate Change.** The Signatories agree that **Attachment C** is an accurate representation of the actual notice provided to customers on March 25, 2016, as attested in the included affidavit. The proposed form of notice included in the revised application, filed on February 26, 2016, contains clerical issues which were fixed in the actual notice provided to customers, as shown in **Attachment C**.

### **III. IMPLEMENTATION OF AGREEMENT**

1. **Obligation to Support this Stipulation.** The Signatories will support this Stipulation before the Commission and will take reasonable steps to support expeditious entry of orders fully consistent with this Stipulation. This provision shall not preclude any party from taking action that is mandatory and nondiscretionary pursuant to a law enacted after the date this Stipulation is filed at the Commission.
2. **Effect of Stipulation.**

- a. The Stipulation does not adopt any particular methodology underlying the settlement rates or rate design reflected in the Stipulation.
- b. The failure to litigate any specific issue in this docket does not waive any Signatory's rights to contest that issue in any other current or future proceeding. The failure to litigate an issue cannot be asserted as a defense or estoppel, or any similar argument, by or against any Signatory in any other proceeding.
- c. The terms of this Stipulation may not be used either as an admission or concession of any sort or as evidence in any proceeding except to enforce the terms of this Stipulation. Oral or written statements made during the course of the settlement negotiations may not be used for any purposes other than as necessary to support the entry by the Commission of an order implementing this Stipulation. All oral or written statements made during the course of the settlement negotiations are governed by Tex. R. Evid. 408.
- d. The Signatories arrived at this Stipulation through extensive negotiation and compromise. This Stipulation reflects a compromise, settlement and accommodation among the Signatories, and the Signatories agree that the terms and conditions herein are interdependent. The Signatories agree that this Stipulation is in the public interest. All actions by the Signatories contemplated or required by this Stipulation are conditioned upon entry by the Commission of a final order fully consistent with this Stipulation. If the Commission does not accept this Stipulation as presented or enters an order inconsistent with any term of this Stipulation, any Signatory shall be released from all commitments and obligations, and shall have



the right to seek hearing on all issues, present evidence, and advance any positions it desires, as if it had not been a Signatory.

- e. This Stipulation is binding on each of the Signatories only for the purpose of settling the issues as set forth herein and for no other purposes. It is acknowledged that a Signatory's support of the matters contained in this Stipulation may differ from the position taken or testimony presented by it in this proceeding or other proceedings. To the extent that there is a difference, a Signatory does not waive its position in any other proceedings. Because this is a stipulated resolution, no Signatory is under any obligation to take the same positions as set out in this Stipulation in other proceedings, whether those proceedings present the same or a different set of circumstances, except as may otherwise be explicitly provided in this Stipulation.
- f. There are no third party beneficiaries of this Stipulation. Although this Stipulation represents a settlement among the Signatories with respect to the issues presented in this docket, this Stipulation is merely a settlement proposal submitted to the Commission, which has the authority to enter an order resolving these issues.
- g. This Stipulation supersedes any prior written or oral agreement in this docket regarding the subject matter of this Stipulation.
- h. The final resolution of this docket does not impose any conditions, obligations or limitations on Rankin's right to file a future rate application and obtain rate relief in accordance with the Texas Water Code.

- i. This Stipulation shall not be binding or precedential upon a Signatory outside this docket and Signatories retain their rights to pursue relief to which they may be entitled in other proceedings.

**3. Execution.** The Signatories agree that this Stipulation may be executed in multiple counterparts and filed with facsimile or computer image signatures.

Executed as shown below:

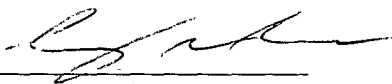
Dated this 23rd day of September, 2016.

**RANKIN PARK MAINTENANCE & UTILITIES COMPANY**

By: /s/ Lori Keyser  
Lori Keyser  
Vice President

Date: 8/23/16

**STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS**

By: /s/ Landon J. Lill   
A. J. Smullen  
Landon J. Lill  
Attorney for Staff of the Public Utility Commission of Texas

Date: 8/23/16

**DOCKET NO. 45491**

**APPLICATION OF RANKIN PARK  
MAINTENANCE & UTILITIES  
COMPANY FOR CLASS B  
RATE/TARIFF CHANGE**

§  
§  
§  
§  
§  
§  
§

**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**UNANIMOUS STIPULATION AND SETTLEMENT AGREEMENT**

**ATTACHMENT A**



## **WATER UTILITY TARIFF**

### **Docket Number 45491**

Bailar Hospitality Services Company,  
dba Rankin Park Maintenance and Utilities Co. Inc.  
(Utility Name)

P.O. Box 9648  
(Business Address)

Spring, TX 77387  
(City, State, Zip Code)

(713) 417-4832  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:  
12228

This tariff is effective in the following county:  
Harris

This tariff is effective in the following cities or unincorporated towns (if any):  
None

This tariff is effective in the following subdivisions or systems:  
Rankin Park - PWS ID No. 1012070

#### **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.....	5
SECTION 3.0 -- EXTENSION POLICY .....	12

APPENDIX A – DROUGHT CONTINGENCY PLAN  
APPENDIX B – APPLICATION FOR SERVICE

NOTE: Appendix A – Drought Contingency Plan (DCP) is approved by the Texas Commission on Environmental Quality (TCEQ); however the DCP is included as part of your approved tariff pursuant to PUC rules. If you are establishing a tariff for the first time, please contact the TCEQ to complete and submit a DCP for approval.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$45.60</u>	<u>\$3.00</u> per 1,000 gallons*
1"	<u>\$76.00</u>	
1½"	<u>\$152.00</u>	
2"	<u>\$243.20</u>	
3"	<u>\$456.00</u>	

\*Additional Pass-Through Fee Applied to Gallonge Charge..... \$0.75 per 1,000 gallons  
**City of Houston (COH) Groundwater Reduction Plan (GRP).** A \$0.75 per 1,000 gallons pass-through charge as of March 15, 2012, is to be billed and collected in addition to the above monthly minimum and gallonge charges. This pass-through charge is calculated as the current City of Houston's GRP fee of \$2.513 at the GRP Contract Rate of 30% = \$0.75. (TCEQ Docket No. 37280-R)

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

Cash X,              Check X,              Money Order X

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. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

REGULATORY ASSESSMENT..... 1.0%  
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

TAP FEE..... Actual Cost  
TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" METER PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

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 BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" METERS.

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER RELOCATION FEE ..... Actual Relocation Cost  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER.

METER TEST FEE (actual cost of testing the meter up to)..... \$25.00  
THIS FEE 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.

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 (Maximum \$25.00) ..... \$25.00
- b) Customer's request..... \$25.00  
or other reasons listed under Section 2.0 of this tariff

TRANSFER FEE ..... \$25.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE..... 10%  
A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$25.00

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

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT ..... 1/6TH EST. ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

INCREASES IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS OF 16 TAC 24.21(k)(2) AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 2.12 SPECIFIC UTILITY SERVICE RULES AND SECTION 3.02 UTILITY SPECIFIC EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES.

SECTION 1.0 -- RATE SCHEDULE (Continued)

**PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE - ALL WATER**  
**SUBJECT TO FEE:**

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:

$$\text{Adjusted Gallonage Rated (AG)} = G + [B/(1-L)]$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons);
- B = change in purchased water/district gallonage charge (per 1,000 gallons);
- L = system average line loss for preceding 12 months not to exceed 0.15 (15%).

If gallons are included in minimum bill you must also adjust your base rate and show your calculations.

$$\text{Adjusted Base Rate (ABR)} = BR + [(B \times N)/(1-L)]$$

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 1,000 gallons included in base rate (do not use zero);
- L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)



## SECTION 2.0 - SERVICE RULES AND REGULATIONS

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Chapter 24 rules, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

### Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the commission.

### Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

#### (A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the Utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The Utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent. Deposits from non-residential customers may be held as long as that customer takes service.

## SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

### (B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by P.U.C. SUBST. R. 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

### (C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

### Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

### Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

## SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

### Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Section 290.46(j). The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

### Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in Title 30 Texas Administrative Code (TAC) §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

## SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

### Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

### Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The 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 without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer.

## SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

### Section 2.10 - Billing

#### (A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. 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 and the regulatory assessment, is not received at the utility or the utility's authorized payment agency 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 workday after the due date.

#### (B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

#### (C) Information on Bill

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

#### (D) Prorated Bills

If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

### Section 2.11 - Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

## SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

### Section 2.12 - Service Disconnection

#### (A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged 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 termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

#### B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

### Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

### Section 2.14 - 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. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

### Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

## SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

### Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will 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 has recourse through either the PUC complaint process, depending on the nature of the complaint. 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.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the commission.

### Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

## SECTION 3.0--EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contribution in Aid of Construction may be required of any customer except as provided for in this approved extension policy.

The utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with PUC rules and policies, and upon extension of the utility's certified service area boundaries by the PUC.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

### Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.



### SECTION 3.0--EXTENSION POLICY (continued)

Exceptions may be granted by the PUC if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted by the PUC, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in Aid of Construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

#### Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide Contributions in Aid of Construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

### SECTION 3.0--EXTENSION POLICY (continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of P.U.C. SUBST. R. 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by P.U.C. SUBST. R. 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

#### Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

#### Section 3.05 - Applying for Service

The utility will provide a written service application form to the applicant for each request for service received by the utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

### SECTION 3.0--EXTENSION POLICY (continued)

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

#### Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

#### Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

## APPENDIX A – DROUGHT CONTINGENCY PLAN

(This page incorporates by reference the utility's Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.)

**DOCKET NO. 45491**

**APPLICATION OF RANKIN PARK  
MAINTENANCE & UTILITIES  
COMPANY FOR CLASS B  
RATE/TARIFF CHANGE**

§  
§  
§  
§  
§  
§  
§

**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**UNANIMOUS STIPULATION AND SETTLEMENT AGREEMENT**

**ATTACHMENT B**

## DOCKET NO. 45491

**APPLICATION OF RANKIN PARK  
MAINTENANCE & UTILITIES  
COMPANY FOR CLASS B  
RATE/TARIFF CHANGE**

§  
§  
§  
§  
§  
§  
§

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

### PROPOSED FINAL ORDER

This Order addresses the application of Rankin Park Maintenance & Utilities Company (Rankin) for an increase in water rates charged to its customers in Harris County, Texas. A unanimous stipulation was executed that resolves all issues in this proceeding. Consistent with the stipulation, Rankin's application is approved.

The Public Utility Commission of Texas adopts the following findings of fact and conclusions of law:

#### I. Findings of Fact

##### *Procedural History*

1. On January 4, 2016, Rankin filed an application requesting approval for water rate and tariff changes. Rankin filed supplemental information regarding its application on February 26, 2016.
2. The application requests a revenue requirement of \$19,601 based on a test year ending on December 31, 2014. The prior rates and the proposed rates for Rankin, as modified in Rankin's supplemental filing, are as follows:

<b>PRIOR WATER RATES</b>	<b>PROPOSED WATER RATES</b>
Minimum Charge - Includes 2,000 gallons Meter Size: <b>RESIDENTIAL</b>	Minimum Charge - Includes 0 gallons Meter Size: <b>RESIDENTIAL</b>

5/8" or 3/4"	\$44.00	5/8" or 3/4"	\$50.03
1"	\$70.00	1"	\$83.38
1 1/2"	\$134.00	1 1/2"	\$166.75
2"	\$211.00	2"	\$266.80
3"	\$391.00	3"	\$500.25
<b>GALLONAGE CHARGE</b>		<b>GALLONAGE CHARGE</b>	
\$3.00 per 1,000 gallons		\$3.00 per 1,000 gallons	
<b>PRIOR SEWER RATES</b>		<b>PROPOSED SEWER RATES</b>	
Minimum Charge - Includes 2,000 gallons Meter Size: <b>RESIDENTIAL</b>		Minimum Charge - Includes 0 gallons Meter Size: <b>RESIDENTIAL</b>	
5/8" or 3/4"	\$23.00	5/8" or 3/4"	\$40.36
1"	\$34.00	1"	\$67.27
1 1/2"	\$63.00	1 1/2"	\$134.55
2"	\$97.00	2"	\$215.28
3"	\$176.00	3"	\$403.65
<b>GALLONAGE CHARGE</b>		<b>GALLONAGE CHARGE</b>	
\$3.00 per 1,000 gallons		\$3.00 per 1,000 gallons	

3. On March 30, 2016, the Commission found the application administratively complete, permitting the proposed rates to go into effect on May 1, 2016.
4. On April 20, 2016, the parties filed a joint motion for the approval of interim rates, to be effective May 1, 2016, explaining that the proposed interim rates would reduce the extent of the need for any refund that may be credit to Rankin's customers based on the difference between Rankin's proposed rates and the rates that will ultimately be adopted in this proceeding. The proposed interim rates are as follows:

<b>PROPOSED INTERIM WATER RATES</b>	
Minimum Charge - Includes 0 gallons	
Meter Size: <b>RESIDENTIAL</b>	
5/8" or 3/4"	\$46.65
1"	\$77.75
1 1/2"	\$155.50
2"	\$248.80
3"	\$466.50
<b>GALLONAGE CHARGE</b>	
\$3.00 per 1,000 gallons	

<b>PROPOSED INTERIM SEWER RATES</b>	
Minimum Charge - Includes 0 gallons	
Meter Size: <b>RESIDENTIAL</b>	
5/8" or 3/4"	\$38.03
1"	\$63.38
1 1/2"	\$126.75
2"	\$202.80
3"	\$380.25
<b>GALLONAGE CHARGE</b>	
\$3.00 per 1,000 gallons	

5. On April 26, 2016, Order No. 4 was entered approving the proposed interim rates, effective May 1, 2016.
6. On August 12, 2016, the parties filed a joint motion to abate the procedural schedule and to modify the approved interim rates. The parties indicated that an agreement in principle had been reached and requested that the procedural schedule be abated in order to permit additional time to draft a stipulation consistent with the parties' agreement. The parties further requested that the effective date of the proposed rate change be suspended in order to prevent the 120-day deadline pursuant to 16 Tex. Admin. Code § 24.26 (TAC) from continuing to toll. Finally, the parties requested the modification of Rankin's interim rates, to be effective on the first day of the first complete billing period following the entry of an order granting the parties' joint motion. The proposed interim rates are as follows:

<b>PROPOSED INTERIM WATER RATES</b>	
Minimum Charge - Includes 0 gallons	
Meter Size: <b>RESIDENTIAL</b>	
5/8" or 3/4"	\$45.60
1"	\$76.00
1 1/2"	\$152.00
2"	\$243.20
3"	\$456.00
<b>GALLONAGE CHARGE</b>	
\$3.00 per 1,000 gallons	
<b>PROPOSED INTERIM SEWER RATES</b>	



Minimum Charge - Includes 0 gallons	
Meter Size: <b>RESIDENTIAL</b>	
5/8" or 3/4"	\$37.10
1"	\$61.83
1 1/2"	\$123.65
2"	\$197.84
3"	\$370.95
<b>GALLONAGE CHARGE</b>	
\$3.00 per 1,000 gallons	

7. On August 19, 2016, Order No. 5 was entered, granting the parties' joint motion to abate the procedural schedule, suspend the effective date of the proposed rates, and modify the approved temporary rates.
8. No person filed a protest or request to intervene in this proceeding.
9. On \_\_\_\_\_, 2016, Rankin and Commission Staff (collectively, signatories) filed a joint motion to admit evidence, with attachments including the signed stipulation, agreed proposed tariff, and proposed final order. Commission Staff filed the memorandum of Commission Staff witness \_\_\_\_\_ in support of the stipulation.
10. Rankin provided notice by mail to each customer or other affected party on March 25, 2016, as attested in Attachment C to the stipulation.
11. On \_\_\_\_\_, 2016, the Administrative Law Judge issued Order No. \_\_\_\_, admitting evidence.

***Description of the Stipulation***

12. The signatories agreed that Rankin should be allowed to implement the retail water utility rates contained in Section 1.0 of the agreed proposed tariff included in Attachment A to the stipulation, which are consistent with the interim rates approved in Order No. 6, effective the first day of the month following issuance of this Order.
13. The signatories agreed that the stipulated rates are consistent with an overall revenue requirement of \$204,846, comprising \$109,343 for water and \$95,503 for sewer. The

signatories agree that the agreed revenue requirement is reasonable and in the public interest

14. The signatories agreed that the proposed tariff included with the stipulation as Attachment A to the stipulation should govern water utility rates, terms, treatments, and conditions for Rankin's water system and service area.
15. The signatories agreed that the stipulated revenues also compensate Rankin for all rate-case expenses incurred in this proceeding.
16. The signatories agree that the difference between the adopted rates and the rates charged by Rankin during the pendency of the proceeding totals to approximately \$800. This difference is minimal and does not warrant a refund given that Rankin's rate case expenses are included in the proposed rates. As a result, the signatories agree that no refunds or credits are necessary.

***Consistency of the Stipulation with the Texas Water Code and Commission Requirements***

17. Considered in light of Rankin application, responses to discovery requests, and information exchanged through confidential privileged settlement negotiations, the stipulation is the result of compromise from each party, and these efforts, as well as the overall result of the stipulation, support the reasonableness and benefits of the terms of the stipulation.
18. The rates, terms, and conditions of the tariff resulting from the stipulation are just and reasonable when the benefits of avoiding an expensive contested case hearing are considered.

**II. Conclusions of Law**

1. Rankin is a public utility as defined in TWC § 13.002(23).
2. The Commission has jurisdiction to consider Rankin's application for a rate increase and conduct both formal and informal ratemaking hearings pursuant to TWC §§ 13.041, 13.181, and 13.187 using procedures set forth in 16 Texas Administrative Code, chapter 24, subchapter B (TAC).

3. This docket was processed in accordance with the requirements of the TWC, Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-.902 (West 2016) (APA), and Commission rules.
4. Proper notice of the application was given by Rankin as required by TWC § 13.187, 30 TAC §§ 291.22 and 291.28, 16 TAC §§ 24.22 and 24.28, and APA §§ 2001.051 and 2001.052.
5. This docket contains no remaining contested issues of fact or law.
6. The stipulation, taken as a whole, is a just and reasonable resolution of all the issues it addresses, results in just and reasonable rates, terms, and conditions, is consistent with the relevant provisions of TWC, chapter 13, and should be approved.
7. The rates agreed to in the stipulation are just and reasonable, comply with the ratemaking provisions in TWC, chapter 13, and are not unreasonably discriminatory, preferential, or prejudicial.
8. The rates resulting from the stipulation are just and reasonable and are consistent with TWC, chapter 13.
9. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

### **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following order:

1. Rankin's application for authority to change its water utility rates and tariff is approved consistent with the above findings of fact and conclusions of law and the stipulation.
2. Consistent with the stipulation, Rankin's rates, terms, and conditions are approved.
3. The tariff provided as Attachment A to the stipulation is approved effective the first day of the first billing period following the Commission's issuance of this Order.

4. Rankin may not recover any rate-case expenses that it has incurred or will incur in relation to this proceeding other than those for which Rankin is compensated through the stipulated revenues.
5. Entry of this Order consistent with the stipulation does not indicate the Commission's endorsement of any principle or methodology that may underlie the stipulation. Entry of this Order shall not be regarded as precedent as to the appropriateness of any principle or methodology underlying the stipulation.
6. All other motions, requests for entry of specific findings of fact, conclusions of law, and ordering paragraphs, and any other requests for general or specific relief, if not expressly granted in this Order, are denied.

**Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_ 2016.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

---

**DONNA L. NELSON, CHAIRMAN**

---

**KENNETH W. ANDERSON, JR., COMMISSIONER**

---

**BRANDY MARTY MARQUEZ, COMMISSIONER**

**DOCKET NO. 45491**

**APPLICATION OF RANKIN PARK  
MAINTENANCE & UTILITIES  
COMPANY FOR CLASS B  
RATE/TARIFF CHANGE**

§  
§  
§  
§  
§  
§  
§

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**UNANIMOUS STIPULATION AND SETTLEMENT AGREEMENT**

**ATTACHMENT C**

**RANKIN PARK MAINTENANCE & UTILITIES CO., INC.**  
**P.O. BOX 9648**  
**SPRING, TX 77387**

March 23, 2016

Rankin Park Utilities Customers

Re: Proposed Water/Sewer Rate Change  
Docket #45491

Dear Customer:

You were recently advised of a proposed utility rate increase. The calculations used in determining the rate increase utilized those criteria provided by the Texas Commission of Environmental Quality. However, during the latter part of 2015, the Public Utility Commission (PUC) assumed responsibility for all public utility rate increases utilizing a completely different procedure and format for rate determinations. Therefore, this letter is again being provided to you reflecting the proposed rate schedule utilizing the new PUC required format.

As you may be aware, a wastewater treating plant was constructed and placed on line during the summer of 2012 at a cost exceeding \$123,000.00. In addition, to improve system reliability, a new water storage facility with booster pumps and automated control panels was installed late last year at a cost of over \$70,000.00. The amortization of these capital expenditures, in addition to the significant increase in operating costs associated with these facilities, have far exceeded system revenues. In an effort to maintain the economic viability of the Rankin Park Utility System, a State Representative was requested to complete a full economic review. The representative has determined that the water and sewer utility tariff must be increased to assure the continued operation and viability of the system.

The current water and sewer utility tariff rate schedule was approved by the state twelve years ago in June 2004. The sewer utility tariff rate was adequate until Rankin Park Utility was forced to construct and operate its own wastewater treating plant in 2012. Prior to start-up of the plant, all of the wastewater was being treated by a neighboring Municipal Utility District (MUD) at the cost of \$1,000.00/month. In 2011 the MUD refused any further wastewater treating and ordered our system to be disconnected from their treating facilities, thus requiring the immediate construction of our own plant.

The State Representative has determined that the increased water and sewer utility tariff rate is required to provide for both the amortization of capital expenditures and increased operating expenses. Although the proposed rate may be considered high as compared to other systems, it should be noted that most utility systems have hundreds of customers allowing for a broader cost distribution. Rankin Park Utility is a small system with only 50 customers to support all capital and operational costs. The new water and sewer utility rate schedule, as recommended by the State Representative, was proposed to the PUC for final review and approval. A copy of the proposed rate schedule is attached for your information.

Very truly yours

A handwritten signature in cursive script that reads "Lori Keyser".

Lori Keyser  
Vice President

Attachments

# AFFIDAVIT

STATE OF TEXAS

COUNTY OF HARRIS

I, Pete Garland being duly sworn, file this **NOTICE OF PROPOSED RATE CHANGE** as President/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

to each customer or other affected party on or about

March 25

, 20

16

(method of delivery)

[Signature]  
AFFIANT  
(Utility's Authorized Representative)

Rankin Park Maintenance & Utilities

NAME OF UTILITY

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 22nd day of February, 20 16, to certify which witness my hand and seal of office.

SEAL



[Signature]  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Kim Ann Johnsen  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

9-17-2018



**NOTICE OF PROPOSED RATE CHANGE  
PURSUANT TO TEX. WATER CODE § 13.1871**

Rankin Park Maintenance & Utilities Water - 12228 Sewer - 20789

Company Name

CCN Number(s)

has filed a rate change application with the Public Utility Commission of Texas (Commission or PUC). The application may be reviewed online at [interchange.puc.texas.gov](http://interchange.puc.texas.gov). You may also inspect a copy of the rate change application at your utility's office at the address below or at the Commission's office (1701 N. Congress Ave, Austin, TX 78701). The proposed rates will apply to service received after the effective date provided below, unless modified or suspended by the Commission. If the Commission receives a sufficient number of protests, separately or in a combined protest letter, from at least <sup>5</sup> [number of] ratepayers (10 percent of the utility's customers over whose rates the Commission has original jurisdiction) or from any affected municipality before the 91st day after the proposed effective date, the matter will be set for hearing. **See Protest Form on the next page for instructions on how to protest.**

**EFFECTIVE DATE OF PROPOSED INCREASE:**

5/1/2016

(must be at least 35 days after notice is provided to customers and 35 days after application is filed)

(Proposed rates requested by the utility are not final. The Commission may modify the rates and order a 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.)

**Reason(s) for proposed Rate Change:**

Installation of treating plant and cost of operations has increased. Installation of additional pumps, storage tank and pressure tank. It has been 11 years and 8 months since our last rate/tariff change. Inflation.

**BILLING COMPARISON****Water**

BASED ON 1" Meter size

Existing	5,000 gallons:	\$ 79.00 /mo	Proposed	5,000 gallons:	\$ 98.38 /mo
Existing	10,000 gallons:	\$ 94.00 /mo	Proposed	10,000 gallons:	\$ 113.38 /mo
Existing	30,000 gallons:	\$ 154.00 /mo	Proposed	30,000 gallons:	\$ 173.38 /mo

**Sewer**

Existing	5,000 gallons:	\$ 43.00 /mo	Proposed	5,000 gallons:	\$ 82.27 /mo
Existing	10,000 gallons:	\$ 58.00 /mo	Proposed	10,000 gallons:	\$ 97.27 /mo

Rankin Park Maintenance &amp; Utilities

**Subdivision(s) or System(s) Affected by Rate Change**

P.O. Box 9648

Spring

TX

77387

Company Address

City

State

Zip

(713) 937-1959

Company Phone Number

103,433.00

Annual Revenue Increase

3/25/2016

Date Notice Delivered

6/17/2004

Date of Last Rate Change

15th of each month

Date Meters Typically Read

\* Prior to providing notice, the utility shall file a request for the assignment of a docket number for the application.

**P.U.C. DOCKET NO.** 45491

**RATEPAYER PROTEST**

If you wish to PROTEST the proposed rate change, you must submit this form and 10 copies to:

**Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326**

Unless protests are received from at least 10% of ratepayers or from any affected municipality, or the Commission Staff requests a hearing, no hearing will be held and the rates will be effective as proposed.

**CUSTOMER INFORMATION (to be completed by customers submitting protests)**

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Address, City, State: \_\_\_\_\_

Location where service is received: \_\_\_\_\_

(if different from the mailing address)

Please fill out the following:

**I wish to PROTEST the following proposed rate action/s:**

☐ Water Rate Change ☐ Sewer Rate Change ☐ Both Water and Sewer Rate Change

☐ Other (please specify below)

\_\_\_\_\_  
Signature of Protestant:

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

**Si desea informacion en Espanol, puede llamar al  
1-888-782-8477**

**Hearing- and speech-impaired individuals with text telephones may contact the PUC's Customer Assistance  
Hotline at  
512-936-7136**

## NOTICE OF PROPOSED RATE CHANGE - WATER

CURRENT RATES			PROPOSED RATES		
Monthly base rate including 2,000 gallons			Monthly base rate including 2,000 gallons		
Meter Size:			Meter Size:		
<b>RESIDENTIAL</b>			<b>RESIDENTIAL</b>		
5/8" or 3/4"	\$	44.00	5/8" or 3/4"	\$	50.03
1"	\$	70.00	1"	\$	83.38
1 1/2"	\$	134.00	1 1/2"	\$	166.75
2"	\$	211.00	2"	\$	266.80
3"	\$	391.00	3"	\$	500.25
Other:	\$		Other:	\$	
GALLONAGE CHARGE:			GALLONAGE CHARGE:		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	Unlimited gals.	\$ 3.00 /1000 gals.	Tier 1	Unlimited gals.	\$ 3.00 /1000 gals.
Tier 2	N/A to gals.	\$ /1000 gals.	Tier 2	N/A to gals.	\$ /1000 gals.
Tier 3	N/A to gals.	\$ /1000 gals.	Tier 3	N/A to gals.	\$ /1000 gals.
Tier 4	N/A to gals.	\$ /1000 gals.	Tier 4	N/A to gals.	\$ /1000 gals.
Tier 5	N/A to gals.	\$ /1000 gals.	Tier 5	N/A to gals.	\$ /1000 gals.
MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee	\$ Actual Cost		Tap Fee	\$ Actual Cost	
Reconnect fee:			Reconnect fee:		
Non-payment	\$ 25.00		Non-payment	\$ 25.00	
Customer's Request	\$ 25.00		Customer's Request	\$ 25.00	
Transfer Fee	\$ 25.00		Transfer Fee	\$ 25.00	
Late Charge	\$ 0.10		Late charge: (Indicate either \$5.00 or 10%)	\$ 0.10	
Returned Check Charge	\$ 25.00		Returned Check Charge	\$ 30.00	
Deposit	\$ 50.00		Deposit	\$ 50.00	
			(Maximum \$50.00)	\$ 50.00	
Meter test fee	\$ 25.00		Meter test fee	\$ 25.00	
			(Maximum - \$25.00)		

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

**If applicable, list any bill payment assistance programs to low income Rate payers.**

Empty space for listing bill payment assistance programs
--

## NOTICE OF PROPOSED RATE CHANGE –SEWER

CURRENT RATES		PROPOSED RATES	
Monthly base rate including <u>2,000</u> gallons Meter Size: <b>RESIDENTIAL</b>		Monthly base rate including <u>0</u> gallons Meter Size: <b>RESIDENTIAL</b>	
5/8" or 3/4"	\$ 23.00	5/8" or 3/4"	\$ 40.36
1"	\$ 34.00	1"	\$ 67.27
1 1/2"	\$ 63.00	1 1/2"	\$ 134.55
2"	\$ 97.00	2"	\$ 215.28
3"	\$ 176.00	3"	\$ 403.65
Other:	\$	Other:	\$
<b>GALLONAGE OR FIXED CHARGE:</b>		<b>GALLONAGE OR FIXED CHARGE:</b>	
\$ <u>3.00</u>		\$ <u>3.00</u>	
<input type="checkbox"/> per month; OR		<input type="checkbox"/> per month; OR	
<input checked="" type="checkbox"/> for each additional 1,000 gallons over the minimum. Gallorage charges are determined based on average consumption for winter period which includes the following months:		<input checked="" type="checkbox"/> for each additional 1,000 gallons over the minimum. Gallorage charges are determined based on average consumption for winter period which includes the following months:	
<b>MISCELLANEOUS FEES</b>		<b>MISCELLANEOUS FEES</b>	
Tap Fee	\$ ACTUAL COST	Tap Fee	\$ ACTUAL COST
Reconnect fee: Non-payment	\$ 25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$ 25.00
Customer's Request	\$ 25.00	Customer's Request	\$ 25.00
Transfer Fee	\$ 25.00	Transfer Fee	\$ 25.00
Late Charge	\$ 0.10	Late charge: (Indicate either \$5.00 or 10%)	\$ 0.10
Returned Check Charge	\$ 25.00	Returned Check Charge	\$ 30.00
Deposit	\$ 50.00	Deposit (Maximum \$50.00)	\$ 50.00
Meter test fee	\$ 25.00	Meter test fee (Maximum - \$25.00)	\$ 25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

**If applicable, list any bill payment assistance programs to low income Ratepayers.**

Empty space for listing bill payment assistance programs
--

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Texas

as:

County of Harris

Pete Garland

(Name of affiant)

makes oath and says that he/she is

President/Owner

(Official title of affiant)

of Benkin Park Maintenance and Utilities

(Exact legal title or name of the respondent)

The signed officer has reviewed the application.

Based on the officer's knowledge, the application does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

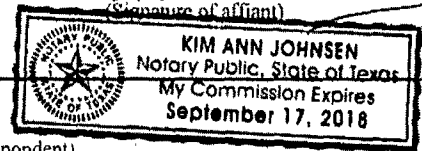
Based on such officer's knowledge, the financial information, and other information included in the application is consistent with the accounting and other record the utility for the periods presented in this application.

He/she swears that all other statements contained in the said application are true, and that the said application is correct and complete for all information requested consistent with the books and records of the applicant.

Subscribed and sworn to and before me, a Pete Garland  
in and for the State and County above-named, this 22 day of Feb 2016

My commission expires 9-17-2018

(Signature of officer authorized to administer oaths)



SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of \_\_\_\_\_

as:

County of \_\_\_\_\_

\_\_\_\_\_  
(Name of affiant)

n

\_\_\_\_\_  
(Official title of affiant)

of \_\_\_\_\_  
(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report statement of the business and affairs of the above named respondent during the period of time from and including \_\_\_\_\_ to and including \_\_\_\_\_

Subscribed and sworn to before me, a \_\_\_\_\_  
in and for the State and County above-named, this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
(Signature of affiant)

My commission expires \_\_\_\_\_

(Signature of officer authorized to administer oaths)