

Control Number: 45905



Item Number: 6

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APPLICATION OF VENCOREX US, INC. §
FOR EXEMPT UTILITY §
REGISTRATION §

PUBLIC UTILITY COMMISSION

2016 JUL 25 PM 2:10

OF TEXAS PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S FINAL RECOMMENDATION

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

I. BACKGROUND

On April 29, 2016, Vencorex US, Inc. (Vencorex) filed with the Public Utility Commission of Texas (Commission) an application for exempt utility registration pursuant to Texas Water Code § 13.242(c) (TWC) and 16 Tex. Admin. Code § 24.103(d) (TAC). On June 2, 2016, Order No. 2 set August 12, 2016 as the deadline for Staff to file a final recommendation. This pleading is timely filed.

II. RECOMMENDATION ON FINAL DISPOSITION

Staff has reviewed Vencorex's application and, as supported by the attached memorandum of Lisa Fuentes of the Water Utilities Division, Staff recommends that the application and the attached map and tariff be found to meet the requirements for exempt utility registration pursuant to TWC § 13.242(c) and 16 TAC § 24.103(d). Staff therefore recommends that the transaction and tariff be approved.

III. CONCLUSION

Staff respectfully requests that the ALJ issue an order consistent with this recommendation.

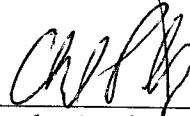
Dated: July 25, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

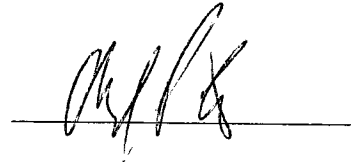


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DOCKET NO. 45905

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on July 25, 2016 in accordance with 16 TAC § 22.74.



Public Utility Commission of Texas
Memorandum

TO: Alexander Petak, Attorney
Legal Division

Through: Tammy Benter, Director
Lisa Fuentes, Manager
Water Utilities Division

From: Lisa Fuentes, Manager
Water Utilities Division

Date: July 11, 2016

Subject: **Docket No. 45905**, *Application of Vencorex US, Inc. for Exempt Utility Registration*

On April 29, 2016, Vencorex US, Inc. (Applicant) filed with the Public Utility Commission of Texas (Commission) an application for exempt utility registration pursuant to Texas Water Code § 13.242(c) and 16 Tex. Admin. Code § 24.103(d) (TAC).

16 TAC § 24.103(d) states that a utility is exempt from the requirement to possess a Certificate of Convenience and Necessity (CCN) in order to provide retail water service if it has less than 15 potential service connections. Based on the information provided, it appears the Applicant has the potential to serve less than 15 retail water service connections. The Applicant asserts that there is one (1) active water connection and the potential for two (2) connections.

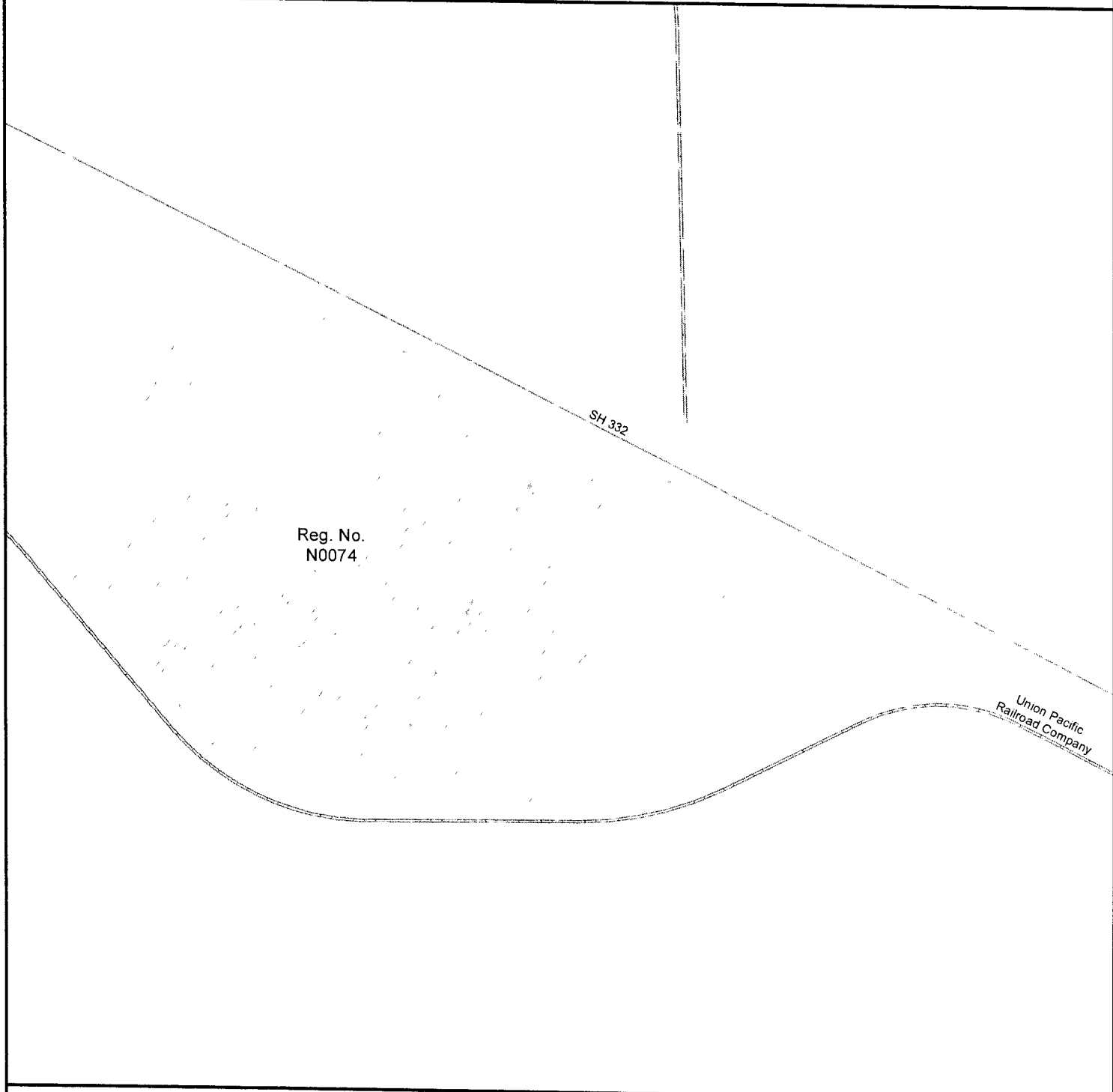
The applicant meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations. Therefore, Staff recommends the Applicant be registered with the Commission as an Exempt Utility and assigned Exempt Registration No. N0074.

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

The Applicant filed their consent to the attached map and tariff on June 29, 2016.

Based on the above information, Staff recommends the application be approved and the Applicant be provided the attached final map and exempt tariff.

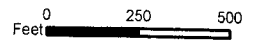
Vencorex US, Inc
Water Service Area
Exempt Utility Registration No. N0074
PUC Docket No. 45905
Brazoria County



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

Exempt Utility Water Service Area

N0074 - Vencorex US, Inc



Map by: Komal Patel
Date created: June 6, 2016
Project Path: n\finalmapping\45905\Vencorex.mxd



EXEMPT UTILITY WATER TARIFF FORM
Docket No. 45905
Exempt Registration No. N0074

Vencorex US, Inc.
(Water System Name)

979/238-8660
(Phone Number)

6213 Hwy 332 East
(Utility Address)

Freeport, TX 77541
(City, State, Zip Code)

Rate Schedule
Commercial

Monthly Minimum Charge
\$183.33 (Including 35,000 gallons)

Gallage Charge
\$10.00 per 1000 gallons

TAP FEE \$0.00

OTHER EXTENSION FEES \$0.00

REGULATORY ASSESSMENT 1.0%

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

RECONNECTION FEE

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

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

LATE CHARGE \$5.00
FOR PAYMENTS NOT RECEIVED BY DUE DATE.

RETURNED CHECK CHARGE \$0.00

CUSTOMER DEPOSIT \$0.00

METER TEST FEE (Not to exceed \$25) \$0.00

The attached Service Rules are part of this tariff.

REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES

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

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

Application for and Provision of Water Service

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

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

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

Refusal of Service

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

Customer Deposits

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

Meter Requirements, Readings, and Testing

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

A meter test will cost \$0.00. Following the completion of any requested test, the utility will promptly advise the customer in writing of the results. If the meter is in error by more than 3% the meter should be replaced at the utility's expense. Meters will be read at (preferably monthly) intervals.

Billing

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

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

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

REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES (Cont.)

Metered Service

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

Service Disconnection and Disputed Bills

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

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

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

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

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

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

Reconnection of Service

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

Service Interruptions

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

Quality of Service

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

Standard Extension Requirements

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

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

WATER SERVICE APPLICATION/AGREEMENT

Date: _____

Exempt Utility Name Vencorex US, Inc.
Business Address Street 6213 Highway 332E
City, State, Zip Freeport, TX 77541
(AC) Telephone 979/233-7871

APPLICATION FOR WATER SERVICE

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

Check Applicable Items:
 Residential Owner
 Commercial Tenant

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

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

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

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

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

Non-Standard Service

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

No Yes If yes, please describe.

OTHER AGREEMENTS OR REQUIREMENTS FOR SERVICE

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

Applicant/Customer's Signature

Date ____/____/____

\$_____ Tap Fee Collected

\$_____ Deposit Collected

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

Utility Representative

Date ____/____/____