

Control Number: 46268



Item Number: 3

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Donna L. Nelson
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Commissioner

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Executive Director



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PUBLIC UTILITY COMMISSION
CLERK

Public Utility Commission of Texas

TO: Bret W. Fenner, P.E.
B & D Environmental, Inc.
913 Hyde Park Dr.
Round Rock, Texas 78665

Commission Staff – Water Utility Regulation Division

Commission Staff – Legal Division

RE: Tariff Control No. 46268 – Application of Nerro Supply Investors, LLC for a
Pass-Through Rate Change

NOTICE OF APPROVAL

This Notice addresses Nerro Supply Investors, LLC's application for a pass-through rate increase due to an increase in pumpage, import, and surface water fees imposed on the utility by the San Jacinto River Authority under in its groundwater reduction plan. Hazy Hollow East Estates and White Oak Valley Estates are listed as the subdivisions affected by the pass-through rate increase. The proposed effective date for the rate increase is October 15, 2016.

On September 1, 2016, Commission Staff recommended that the application and notice be deemed sufficient and further that the application be approved; as specified in the pleading and attached memorandum of Patricia Garcia of the Commission's Water Utility Regulation Division. Commission Staff recommended approval of a pass-through rate of \$2.94 per 1,000 gallons, effective October 15, 2016 for Nerro's customers in the Hazy Hollow East Estates and White Oak Valley Estates. Commission Staff provided revised tariff pages for Nerro.

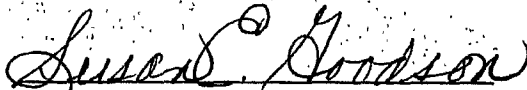
Consistent with Commission Staff's recommendation, Nerro's application is sufficient and it is approved. A new pass through rate of \$2.94 per 1,000 gallons for Nerro's customers in the Hazy Hollow East Estates and White Oak Valley Estates Subdivisions is approved for



water service rendered as of October 15, 2016. The approved tariff pages are attached to this Notice.

SIGNED AT AUSTIN, TEXAS on the 7th day of September 2016.

PUBLIC UTILITY COMMISSION OF TEXAS



SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE

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WATER UTILITY TARIFF

Tariff Control Number: 46268

Nerro Supply Investors, LLC
(Utility Name)

718 Westscott Street
(Business Address)

Houston, Texas 77007
(City, State, Zip Code)

(281)355-1312
(Area Code/Telephone)

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

10336

This tariff is effective in the following counties:

Harris and Montgomery

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

None

This tariff is effective in the following subdivisions and public water systems:

See attached list.

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
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SECTION 3.0 -- EXTENSION POLICY	11

APPENDIX A-- DROUGHT CONTINGENCY PLAN
APPENDIX B -- SAMPLE SERVICE AGREEMENT
APPENDIX C -- APPLICATION FOR SERVICE

LIST OF SUBDIVISIONS

SUBDIVISION	PWS ID NUMBER	COUNTY
Hazy Hollow East Estates	1700013	Montgomery
Shady Brook Acres	1700031	Montgomery
Spring Creek Valley Estates	1010213	Harris
White Oak Valley Estates	1700036	Montgomery

Hazy Hollow East Estates, White Oak Valley
Estates, Shady Brook Acres, Spring Creek Valley Estates

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Spring Creek Valley Estates (Harris County)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$37.16</u> (includes 1000 gallons)	<u>\$3.56</u> per 1,000 gallons over the minimum *Plus NHCRWA Fee for <u>ALL</u> gallons used

*North Harris County Regional Water Authority Water Use Fee:\$2.19
per 1,000 gallons of water usage

Hazy Hollow East Estates, White Oak Valley Estates, Shady Brook Acres (Montgomery County)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$36.71</u> (includes 1000 gallons)	<u>\$3.55</u> per 1,000 gallons over the minimum *PLUS LSGCD & SJRA fees for <u>ALL</u> gallons used

*Lone Star Groundwater Conservation District Water Use Fee:\$0.05
per 1,000 gallons of water usage

*San Jacinto River Authority Fee for Hazy Hollow East Estates and White Oak Valley Estates
only:\$2.94
per 1,000 gallons of water usage
(Tariff Control No. 46268)

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

Cash X, Check X, Money Order X, Credit Card _____, Other (specify) _____
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT
PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE
GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL
MONTHLY BILL AND REMIT TO THE TCEQ.

Hazy Hollow East Estates, White Oak Valley
Estates, Shady Brook Acres, Spring Creek Valley Estates

SECTION 1.0 – RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees

TAP FEE.....	N/A
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.	
TAP FEE (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 THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.	
METER RELOCATION FEE	Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.	
METER TEST FEE	\$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.	
RECONNECTION FEE	
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):	
a) Non payment of bill (Maximum \$25.00).....	\$25.00
b) Customer's request that service be disconnected.....	N/A
TRANSFER FEE	N/A
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.	
LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)	10%
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.	

**Hazy Hollow East Estates, White Oak Valley
Estates, Shady Brook Acres, Spring Creek Valley Estates**

SECTION 1.0 – RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE\$25.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [\$24.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

Pass Through Provision:

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

$AG = G \pm B/(1-L)$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved gallonage charge, per 1,000 gallons

B = changed in fee (per 1,000 gallons)

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

$ABR = BR + (B \times N)/(1-L)$, Where:

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

B = approved gallonage charge, 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%)