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TARIFF CONTROL NO. 46371

**APPLICATION OF CHUCK BELL §
WATER SYSTEMS L.L.C. FOR §
APPROVAL OF A SAMPLING FEE §
SURCHARGE §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

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COMMISSION STAFF'S FINAL RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Final Recommendation.

I. BACKGROUND

On September 16, 2016, Chuck Bell Water Systems, L.L.C. (Chuck Bell) requested approval of a sampling fee surcharge for water testing that was done in accordance with the Safe Drinking Water Act. The surcharge will only affect the Bear Creek Estates subdivision, PWS #2200336. Chuck Bell plans to begin the surcharge in the November 2016 billing cycle for a period of one month only, and only for affected customers.

On September 20, 2016, the administrative law judge (ALJ) issued a notice setting October 7, 2016, as the deadline for Staff to file a recommendation on Chuck Bell's application, sufficiency of notice and propose a procedural schedule. Therefore, this pleading is timely filed.

II. RECOMMENDATION

Pursuant to 16 Tex. Admin. Code § 24.21(k)(2)(A) (TAC), a utility may implement a surcharge, if specifically authorized for the utility in writing by the Commission, to recover the actual increase in costs to the utility for sampling fees not already included in rates. These sampling fees are not required to be listed on the approved tariff.

As supported in the attached memorandum from Janie Kohl, Heidi Graham, and Debi Loockerman of the Commission's Water Utilities Division, Staff has reviewed the application and recommends the following: 1) approval for Chuck Bell's sampling fee surcharge application authorizing Chuck Bell to collect \$103.85 in the Bear Creek Estates subdivision; 2) that the Applicant's bill that includes the surcharge include the short statement of notice provided in the attached memorandum; and 3) that the order approving Chuck Bell's application include a

statement that Chuck Bell is not authorized by the Commission to collect more than the total approved amount.

The ALJ's issued notice also required that Staff provide a recommendation on the sufficiency of notice. Staff notes that 16 TAC § 24.21(k) does not require the utility to issue notice of a surcharge prior to Commission approval. While 16 TAC § 24.21(b)(3)(A) says the Commission may require notice for a tariff revision, a surcharge for sampling fees not already included in rates is specifically not a change to the tariff under 16 TAC § 24.21(k)(2)(A). Therefore, Staff recommends that the utility provide notice to customers in the first bill in accordance with the rule and attached memorandum.

III. CONCLUSION

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

Date: October 6, 2016

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney



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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 6, 2016, in accordance with 16 TAC § 22.74.



Vera Dygert

PUC Interoffice Memorandum

To: Brittany Johnson, Attorney
Vera Dygert, Attorney
Legal Division

Thru: Tammy Benter, Director
Water Utilities Division

From: Janie Kohl, Financial Analyst
Heidi Graham, Engineering Manager
Debi Loockerman, Manager
Water Utilities Division

Date: September 30, 2016

Subject: **Tariff Control No. 46371:** *Application of Check Bell Water Systems, L.L.C. for Approval of a Sampling Fee Surcharge*

On September 16, 2016, Check Bell Water Systems (Applicant) filed an application for a sampling fee surcharge. The Applicant proposed to begin the surcharge with the November 2016 billing cycle for a period of one month to customers in the Bear Creek Estates Subdivision (PWS #2200336). This application is being reviewed pursuant to and 16 Tex. Admin. Code § 24.21(k)(2) (TAC).

The Applicant is requesting approval to collect a \$5.47 per service connection sampling fee surcharge in the Bear Creek Estates Subdivision for a period of one (1) month effective in the November 2016 billing cycle. This is based on a total sampling fee of \$103.85 for 19 connections.

Based upon review of the information submitted with the application, Staff recommends the following:

- a) Approval of the sampling fee surcharge application authorizing the Applicant to collect \$103.85 in the Bear Creek Estates Subdivision for one (1) month effective in the November 2016 billing cycle.
- b) The Applicant's bill which includes the surcharge should include the following short statement noticing customers of the purpose and authority to surcharge:

"A sampling surcharge has been approved by the Public Utility Commission of Texas (PUC) to cover sampling fees incurred by the utility and required by the Safe Drinking Water Act."; and

- c) The order approving the application include a statement that the Applicant is not authorized by the Commission to collect more than the total approved amount.