



Control Number: 46439



Item Number: 3

Addendum StartPage: 0

RECEIVED

COMPLAINT OF WES ANDERSON ET AL.
 AGAINST QUADVEST L.P., QUADVEST,
 INC., RANCH UTILITIES CORP.
 AND RANCH UTILITIES, L.P.

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PUBLIC UTILITY COMMISSION

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PUBLIC UTILITY COMMISSION
FILING CLERK

OF

TEXAS

QUADVEST L.P.'S RESPONSE TO ORDER NO. 1

Quadvest LP ("Quadvest") files this Response to Order No. 1. In support thereof, Quadvest L.P., Quadvest, Inc. Ranch Utilities Corp., and Ranch Utilities, L.P. (collectively "Quadvest") respectfully shows as follows:

Background and Summary of the Argument

The Complaint, brought by 23 individuals,¹ out of over 10,000 customers, is entirely frivolous, unsupported, and should be denied. This Complaint should be dismissed in its entirety for the five following reasons:

1. Out of the 20 accounts at issue in this case (hereinafter "Complainants"), only one Complainant filed an informal complaint related to the meter accuracy. Therefore, the remaining 19 Complainants should be dismissed for failure to exhaust the administrative remedies set forth in PUC Subst. R. 22.242(c). Moreover, no party filed an information complaint related to the pass through fee. Therefore, all parties should be dismissed on this issue for failure to exhaust the administrative remedies set forth in PUC Subst. R. 22.242(c). Finally, two of the customers are not current customers of Quadvest and therefore, do not have standing to bring this Complaint.
2. While the Commission retains primary jurisdiction over complaint proceedings such as this, the request for class action status should be dismissed because the Commission does not have jurisdiction to certify a class. That is strictly the function of a district court. Likewise, the Commission should fulfill its statutory regulatory role and either dismiss or decide this complaint, rather than waiving jurisdiction.
3. The allegations relating to improper billing and meter inaccuracy are entirely false. Quadvest hired an independent third party to perform a sampling of the advanced meters at issue in this Complaint and the sample meters were found to be on average 99.2% accurate.

¹ There are 20 accounts at issue. Therefore, Quadvest will refer hereinafter to 20 Complainants, rather than the named 23 individuals. Two individuals named are not account holders and one account is a joint account.

4. Notwithstanding the third party testing of the meters, the actual usage for many of the Complainants is entirely consistent with prior usage and weather patterns. There was little to no rainfall in July through mid-August when the high usage was reported. As rainfall increased in mid-August, usage decline, consistent with high irrigation usage.
5. The allegations relating to an improper surcharge should be denied because Quadvest was charging its approved pass through fee, as reflected both on the customer billing statements and the Commission approved pass through tariff.

Argument and Authorities

1. Failure to Exhaust Administrative Remedies—First Time Complainants—Advanced Meters

Quadvest moves to dismiss the following Complainants from this action for failure to exhaust their administrative remedies related to the advanced meters to the fullest extent required under PUC Proc. R. 22.242: Bradley K. Baker, Ethel Barrett, Gail Stephens Acebo, Mary Erato, Priscilla A. Ferguson, Gladys H. Floyd, Randolph R. Hansen, Robert Hardoin, Wes Anderson, Darin Reeser, Victoria Risinger, Allyn Watkins, Jill Westerbrook, Jennifer Wike, Fang Yiu, Ashley Sanders, George H. Krug, III, Margie C. Krug, Jamie Taylor, Stephanie Taylor, Mark Lejsekon, M’Ral Legsekon (collectively “First Time Complainants”). The only party to make a formal complaint to the Commission regarding meter reads was Stephen J. Jones.² Accordingly, the remaining parties should be dismissed for failure to follow administrative remedies.

PUC Proc. Rule 242(c), 16 TAC § 22.242(c), states as follows:

(c) Information resolution required in certain cases. A person who is aggrieved by the conduct of an electric utility or telecommunications utility *or other person* must present a complaint to the commission for information resolution before presenting the complaint to the commission.³

The Commission has 35 days to evaluate the informal complaint, after which a formal complaint may be filed. *See id.* § 22.242(d). The above “First Time Complainants” never filed an informal complaint with the Commission. In fact, *the majority of the First Time*

² This Complaint was found to be unfounded by the Commission. (See Exhibit A1)

³ While the rule specifically refers to telecommunication or electric utilities, the term “person” encompasses water corporates. Under the Code Construction Act, a corporate is considered a “person.” See Tex. Gov’t Code § 311.005(2) (“Person” includes corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.).

Complainants never even contacted Quadvest to complain about the advanced meters or the groundwater pass through fee. First Time Complainants never made any attempt to provide QV with any specific information regarding their concerns. Therefore, First Time Complainants should be dismissed from this action for failure to follow administrative remedies.

2. Failure to Exhaust Administrative Remedies—Pass Through Fee

Complainants further allege that Quadvest is overcharging pass through fees. According to Complainants, “Quadvest contracted with its customers to charge \$1.93 per 1000 gallon used for pass-through-fees and is charges [sic] more than 25% more than the contracted price.”

All of the Complainants have failed to exhaust their administrative remedies to the fullest extent required under PUC Subst. R. 22.242(c) prior to filing this formal complaint. Not only is this complaint unfounded, as discussed below, but there has never been an informal complaint raised on this issue by any of the Complainants. Therefore, the formal complaint related to improper pass-through fees should be dismissed for failure to exhaust administrative remedies.

3. Non-Customers of Quadvest

The following Complainants should be further dismissed because they are not customers of Quadvest: Stephanie Taylor and Margie Krug (See Exhibit A, Affidavit of Jeff Eastman). Therefore, these Complainants lack standing to bring this Complaint.

A. PUC Has Jurisdiction Over Complaint Proceedings but Should Decline to Certify a Class Action

As an initial matter, this is a routine complaint proceeding, for which the Commission has jurisdiction. The two matters in dispute—meter accuracy and accuracy of the pass through fee—are matters routinely decided by this Commission. (*See e.g.*, P.U.C. Subst. R. 24.3 (requiring utility to only charge its approved tariffs); P.U.C. Subst. R. § 24.82 (allowing Commission to order adjustments to bills and assess administrative penalties); P.U.C. Subst. R. 24.89 (addressing meter accuracy and modifications of bills for inaccurate meters); P.U.C. Subst. R. 22.242 (addressing complaint procedures); TEX. UTIL. CODE § 13.4151 (giving Commission authority to assess administrative penalties); TEX. UTIL. CODE § 13.001 *et seq.* (general jurisdiction of Commission over water utilities). Therefore, it is clear that this Commission has jurisdiction over the issues brought forward in this Complaint.

However, Complainants cite absolutely no authority for this Commission to certify a class action. Contrary to state district court actions, which have specific rules governing the certification of a class (Tex. R. Civ. Proc. 42), there are no PUC rules addressing class actions. As a practical matter, there is no need for class certification because, as a regulated utility, the Commission has the authority to order Quadvest to issue refunds, test meters, or take other actions it deems appropriate and within its authority and those orders would apply to all of Quadvest's customers. Therefore, the Commission should find that it lacks jurisdiction to certify this matter as a class action. *C.f.*, Docket 3960, Prehearing Order and Notice of Second Prehearing Conference, *Petition of City Park Neighborhood Association for Relief from Rates Set by the City of Austin for Electrical Service Outside City Limits*, 15 Tex. P.U.C. Bulletin 474 (May 6, 1982)(declining to treat matter as a class action).

B. Advanced Meters Have Been Independently Tested and Verified as Accurate

This Complaint should further be dismissed because there is no validity to the claim that the advanced meters installed by Quadvest are in any way inaccurate. As an initial matter, Quadvest installed the majority of the advanced meters at issue in this Complaint in July 2016. Quadvest notified its customers of the installation. (See Confidential Exhibit A2). The advanced meters installed were manufactured by Master Meter, a well-known and respected advanced meter vendor. Prior to shipment, every meter was tested by Master Meter and found to be accurate within American Water Works Association (AWA) standards. (See Exhibit A, Affidavit of Jeff Eastman.)

Second, once Quadvest was served with this Complaint, Quadvest retained an independent third party (Southern Flowmeter, Inc.) to perform a sampling of 15% of the advanced meters at issue in this case, and the testing found the meters to be accurate and consistent with AWA standards. The meters were testing on average 99.2% accuracy, which means they are actually slightly *under* recording usage. The meters are in no way *over* recording usage. (See Exhibit A3)

In sum, the meters have been independently verified by two different entities, and have found to be accurate to AWA standards. Complainants have brought forth no evidence to the contrary. Therefore, the Commission should dismiss this Complaint as unfounded.

C. Actual Usage for Customers is Consistent with Prior Usage and Average Rainfall

Notwithstanding the third party testing of the meters, the actual usage for many of the Complainants does not appear to be inconsistent with prior usage or weather patterns. Quadvest did not simply rely upon the testing of the meters for accuracy, although that would certainly have been consistent with industry standards, but Quadvest reviewed each of the Complainants actual usage and variance over a one year period, and compared higher usage months with average rainfall for that time period. (See Confidential Exhibit A4, Confidential Exhibit A5 and Exhibit A6).

It is important to note that many of the residences at issue in this Complaint are large acreage lots with multi zone irrigation systems. Given the installation of the advanced meters, Quadvest is able to determine the dates and times of increased usage and whether the usage is likely attributable to an irrigation system. (See Confidential Exhibit A5). In most cases, the increased water usage was attributable to (1) decreased rainfall in July through mid-August, 2016 (only 1 and 2 inches, respectively) (See Exhibit A6); and (2) prolonged irrigation periods resulting from the decreased rainfall (See Exhibit A, Affidavit of Jeffery Eastman, and Confidential Exhibit A5).

Specific review of a sampling of Complainants' actual usage records show that the customers at issue have traditionally high consumption levels.⁴

For example, Complainant A's⁵ meter was independently testified and verified by a third party. This customer's usage increased 37% from 2015 to 2016. However, it is important to note that July and August usage, when rainfall was only 1 inch and 3 inches, respectively, for the customer's subdivision, irrigation was the apparent cause of the increase. A review of the customer's usage patterns show that in June rainfall was 8 inches. Actual usage was approximately 13,000 gallons. In July and August, however, when rainfall was 1 inch and three inches, respectively, on ten separate days this customer had usage exceeding 2,900 gallons and that on these high usage days, the majority of the water consumption routinely occurred between 6am to 11am. This is very consistent with water usage patterns associated with irrigation

⁴ Actual usage records for all Complainants are included in Confidential Exhibit 5.

⁵ In order to protect customer specific data, Quadvest has randomly assigned three customers letters A-C in order to specifically discuss usage information. Actually usage data will be provided to the Commission separately under seal.

systems. While July 2016 usage was higher than July 2015 usage (44,000 gallons vs. 65,000 gallons), this is not unexpected in a month with only one inch of recorded rainfall. It should also be noted that August 2016 usage was consistent with 2015 usage (38,000 gallons vs. 36,000 gallons). Moreover, usage decreased after August 13, 2016. As shown on Exhibit A6, precipitation increased on August 13, 2016, corresponding with decreased irrigation and water consumption.

Complainant B's meter was independently tested and verified. This Customer experienced an 86% increase in water usage from 2015 to 2016. However, it is important to note that, again, the increased water usage was recorded in July and August, periods where rainfall was less than average at 1 inch and 3 inches, respectively. Even so, usage for July 2016 was consistent with usage for July 2015 (27,000 gallons vs. 26,000 gallons).

A review of this customer's usage patterns show that beginning at around 5:00 am and lasting until about 11:00 am on alternating days, this customer experienced usage of approximately 4,000 gallons per day. This is consistent with irrigation patterns. As expected, usage decreased after August 13, 2016. As shown on Exhibit A6, precipitation increased on August 13, 2016, corresponding with decreased irrigation and water consumption.

Complainant C's meter was likewise independently verified. This customer actually experienced a 28% decrease in water usage from 2015 to 2016. July 2015 usage was higher than July 2016 usage (72,000 gallons vs. 47,000 gallons) as well as August 2015 and August 2016 (64,000 gallons vs. 58,000 gallons). These statistics show that this customer has traditionally high consumption levels. Moreover, during July and August, 2016, it appears that this customer was irrigating two times per day every day. The morning irrigation period (approximately 3 hour period starting at 4 am) uses approximately 1,100 gallons. The evening irrigation period (approximately 2 hour period starting at 7pm) uses approximately 900 gallons. Again, usage dropped on or about August 15, 2016, with only one morning irrigation period on alternating days) which is consistent with increased rainfall experienced beginning on August 13, 2016. See Exhibit A6.

As shown on Confidential Exhibit A4, actual year over year usage as a whole for the twenty Complainants from 2015 to 2016 actually decreased by 4%, not an increase of over 300%

as reported in the claim. Only 7 of the customers experienced an actual increase in water usage; however, two of those customers, were not even customers during FY2015.

Similar patterns exist for all of the Complainants at issue in this case. Increased water usage in general occurred in July and early to mid-August, followed by decreased water usage as precipitation increased in mid-August. (See Confidential Exhibit A4 and Confidential Exhibit A5). Therefore, not only do the independent meter accuracy tests demonstrate the invalidity of Complainants assertions, the usage records and weather patterns likewise support the accuracy of the advanced meters. Therefore, the Commission should dismiss this Complaint as unfounded.

D. Surcharge Issue

There is simply no validity to Complainant's assertion that Quadvest contracted to charge a pass through fee of \$1.93 per \$1000 gallons. It appears that Complainants are referring to a 2014 Quadvest Tariff, not the current Commission approved Quadvest tariff. Quadvest's most recently Commission approved pass through tariff reflects a pass through fee of \$2.60 per 1000 gallons. As shown on the attached confidential billing statements, Quadvest has been charging the Commission approved pass through tariff of \$2.60. (See Exhibit A7 and A8). Therefore, the Commission should dismiss this claim in its entirety.

CONCLUSION

FOR THESE REASONS, Quadvest respectfully requests that the Commission dismiss ~~First Time Complainants for failure to Exhaust Administrative Remedies, dismiss all~~ Complainants surcharge claims for failure to exhaust administrative remedies, dismiss non-customers as lacking standing, decline to certify a class action, and further dismiss all claims on the merits as unfounded. Quadvest respectfully requests all other relief, legal and equitable, to which it is justly entitled.

Respectfully submitted,

By: Tammy Wavle Shea
Tammy Wavle Shea
State Bar No. 24008908 *by permission*
Cozen O'Connor *Debra Ellis*
1221 McKinney, Suite 2900
Houston, Texas 77010
Phone: (713) 750-3148
Fax: (832) 214-3905
Email: tshea@cozen.com

ATTORNEYS FOR QUADVEST, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on all parties of record in this proceeding on this the 7th day of November, 2016, by facsimile, electronic mail, U.S. first-class mail, postage prepaid, or by hand delivery.

Tammy Waivle-Shea
Tammy Waivle-Shea
by permission
Debra Ellis

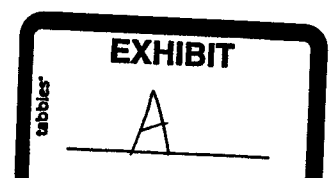
COMPLAINT OF WES ANDERSON ET AL.	§	PUBLIC UTILITY COMMISSION
AGAINST QUADVEST L.P., QUADVEST,	§	
INC., RANCH UTILITIES CORP.CORP.	§	
AND RANCH UTILITIES, L.P.	§	OF
	§	
	§	
	§	TEXAS

AFFIDAVIT OF JEFFREY EASTMAN

BEFORE ME, the undersigned authority, personally appeared Jeff Eastman, known to me to be a credible person who on his oath deposed and stated the following on his personal knowledge:

1. "My name is Jeff Eastman and I am the Chief Financial Officer for Quadvest LP and Ranch Utilities LP. I have been employed in this capacity since November 2012. As part of my job duties with Quadvest, I am responsible for overseeing all financial and customer service activities and budgets, overall policies and procedures regarding capital expenditures, including the installation of advanced meters, reviewing and approving work orders, and overseeing the resolution of any customer complaints. I am over the age of eighteen (18) years, and there is no legal impediment to my giving this affidavit. I make this affidavit on my personal knowledge and the statements contained herein are true and correct.

2. I am the custodian of certain records for Quadvest LP and Ranch Utilities LP. The records attached to this affidavit, consisting of 292 pages were kept by Quadvest LP and Ranch Utilities LP. in the regular course of its business. The entries contained in these records were made at or near the time of the act, event, condition, or opinion, or reasonably soon thereafter. It was the regular course of the business for an employee or representative of the business with knowledge of the act, event, condition, or opinion to make the entries contained in



these records or to transmit information concerning these matters to other employees or representatives of the business designated to receive the information for the purpose of including it in the records of the business. The records attached to this affidavit are exact duplicates of the originals.

3. I have reviewed the account records, weather history and usage patterns for the customers that are parties to the complaints. As an initial matter, it should be noted that neither Quadvest LP nor Ranch Utilities LP have any customer accounts in the name of Mark Lejeskon or Stephanie Taylor. There is a customer account under the name of James Taylor, not Jamie Taylor as listed in the Complaint. Furthermore, the only customer to file an information complaint with Quadvest LP or Ranch Utilities LP was Stephen Jones. The Commission found this complaint to be unfounded. See Exhibit A1.

4. In or about July 2016, Quadvest LP and Ranch Utilities upgraded its meters to advance meters. Notice was given to these customers via bill insert and by email. See Confidential Exhibit A2. After thorough research and bidding, Quadvest LP and Ranch Utilities selected Master Meter to manufacture and install the meters due to their excellent reputation in the industry. Prior to installation, every meter was tested and found to be accurate within AWWA standards (98.5%-101.5%).

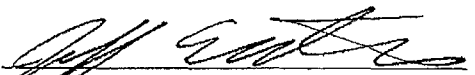
5. After receiving the Complaint in this Docket, Quadvest also retained an independent third party consultant to test a sampling of the meters at issue in this complaint. The entity, Southern Flowmeter, Inc., found the meters to be accurate and consistent with AWWA standards. The average meter accuracy was 99.2%, meaning that the meters were slightly under recording usage, not over recording usage. However, they accuracy was still within AWWA standards. (See Exhibit A3).

6. Quadvest LP and Ranch Utilities also reviewed actual usage records and weather patterns during the time period at issue as a further check on the accuracy of the meters. Attached hereto as Confidential Exhibit A4 is a spreadsheet detailing the usage history for the Complainants at issue. Confidential Exhibit A5 is actual usage history for all of the Complainants. For three Complainants specifically discussed in the response (Complainants 1-3), Quadvest LP and Ranch Utilities has also included hour by hour usage history. Hour by hour usage history is available for all Complainants upon request by the Commission.


7. As shown on Exhibit A6, there was little rainfall in the Quadvest LP and Ranch Utilities service territory in July, 2016 and through mid-August 2016. Exhibit A6, which is a summary of precipitation from Weather Underground, a source routinely used in the water utility industry, demonstrates that in July and early August there was little to no precipitation on most days. However, on August 13, 2016, precipitation increased. As shown on the daily usage records of the three Complainants for which hourly usage is provided, it is evident that usage dramatically decreased after August 13, 2016. Moreover, the usage patterns from July and August (early morning high usage) is consistent with irrigation on large acreage lots such as those located in the Quadvest LP and Ranch Utilities service territories.

8. Quadvest LP and Ranch Utilities have charged their Commission approved pass through to all customers. It appears that Complainants refer to a 2014 pass through Tariff which set the pass through at \$1.93/1000 gallons. See Exhibit A7. However, the most current Commission approved tariff, approved February 24, 2016, sets the pass through fee at \$2.60/1000 gallons. See Exhibit A8. As shown on Confidential Exhibit A2, this is the amount that Quadvest LP and Ranch Utilities LP has been billing its customers.

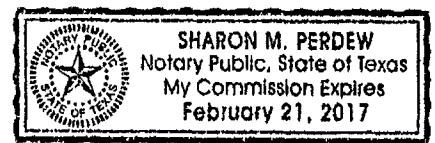
Further affiant sayeth not.


Jeffrey Eastman

SUBSCRIBED AND SWORN TO BEFORE ME this 7th day of November 2016.


Notary Public

17688662.1



Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Greg Abbott
Governor

Public Utility Commission of Texas

9/19/2016

Mr Stephen Jones
32811 Sawgrass Ct
Magnolia TX 77354

RE: Complaint # CP2016081095

Dear Mr Jones:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the billing issue you have experienced with this company. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest submitted a copy of the meter reading and usage history for the premise which reveals all the meter readings obtained have been actual and not estimated or prorated. The meter at the premise was replaced with an AMR meter on 07/18/16. A photograph of the final reading was obtained and provided to the PUC. The company sustains charges billed are valid and payable to Quadvest.

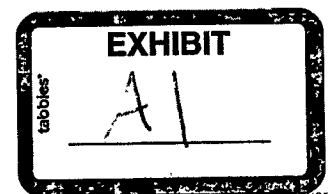
Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rules §24.87 Billing and §24.89 Meters. Quadvest has confirmed the account has been billed based on the usage registered each month on your meter. The meter readings obtained have been actual readings. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

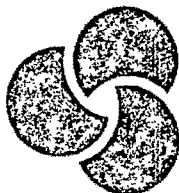
Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest



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Southern Flowmeter, Inc.

Fast-Reliable-Accurate

4026 Colgate, Houston, TX 77087

Office (281) 997-5544

Fax (281) 946-5045

Meter Inspection / Test Report

Owner	Lake Windcrest
Customer	
Address	11018 Lake Windcrest
Brand	Master Meter
Size/Model	1 BL
Serial	8898875
Service Type	Residential

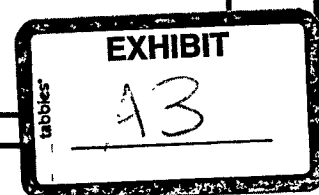
Test Data

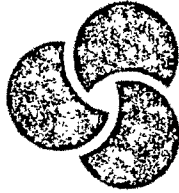
Test Date	Thursday, October 27, 2016
Register 1	83700
Register 2	0
Metered Total	83700

Test Condition	Rate (GPM)	Known Standard (Gallons)	Metered (Gallons)	Percent Accuracy
Low Flow	0.75	10	9.9	99.0%
Medium Flow	4	40	39.6	99.0%
High Flow	40	150	150.4	100.3%
Total Known Gallons		200		
Total Metered Gallons		199.9		
			Weighted Accuracy	99.2%

Notes

Meter accuracy acceptable, does not exceed AWWA threshold of 101.5%





Southern Flowmeter, Inc.

Fast-Reliable-Accurate

4026 Colgate, Houston, TX 77087

Office (281) 997-5544

Fax (281) 946-5045

Meter Inspection / Test Report

Owner	Lake Windcrest
Customer	
Address	11511 Harbor Way
Brand	Master Meter
Size/Model	1 BL
Serial	8898825
Service Type	Residential

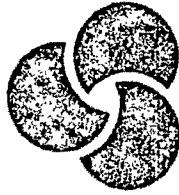
Test Data

Test Date	Thursday, October 27, 2016
Register 1	74480.8
Register 2	0
Metered Total	74480.8

Test Condition	Rate (GPM)	Known Standard (Gallons)	Metered (Gallons)	Percent Accuracy
Low Flow	0.75	10	9.8	98.0%
Medium Flow	4	40	40	100.0%
High Flow	40	150	146.9	97.9%
Total Known Gallons		200		
Total Metered Gallons		196.7		
			Weighted Accuracy	99.2%

Notes

Meter accuracy acceptable, does not exceed AWWA threshold of 101.5%



Southern Flowmeter, Inc.

Fast-Reliable-Accurate

4026 Colgate, Houston, TX 77087

Office (281) 997-5544

Fax (281) 946-5045

Meter Inspection / Test Report

Owner	Lake Windcrest
Customer	
Address	9426 Deer Path Ln
Brand	Master Meter
Size/Model	1 BL
Serial	8898775
Service Type	Residential

Test Data

Test Date	Thursday, October 27, 2016
Register 1	77927.4
Register 2	0
Metered Total	77927.4

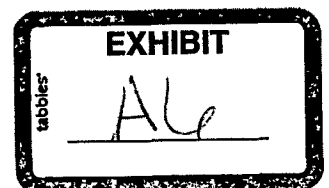
Test Condition	Rate (GPM)	Known Standard (Gallons)	Metered (Gallons)	Percent Accuracy
Low Flow	0.75	10	10	100.0%
Medium Flow	4	40	39.7	99.3%
High Flow	40	150	146.3	97.5%
Total Known Gallons		200		
Total Metered Gallons		196		
			Weighted Accuracy	99.1%

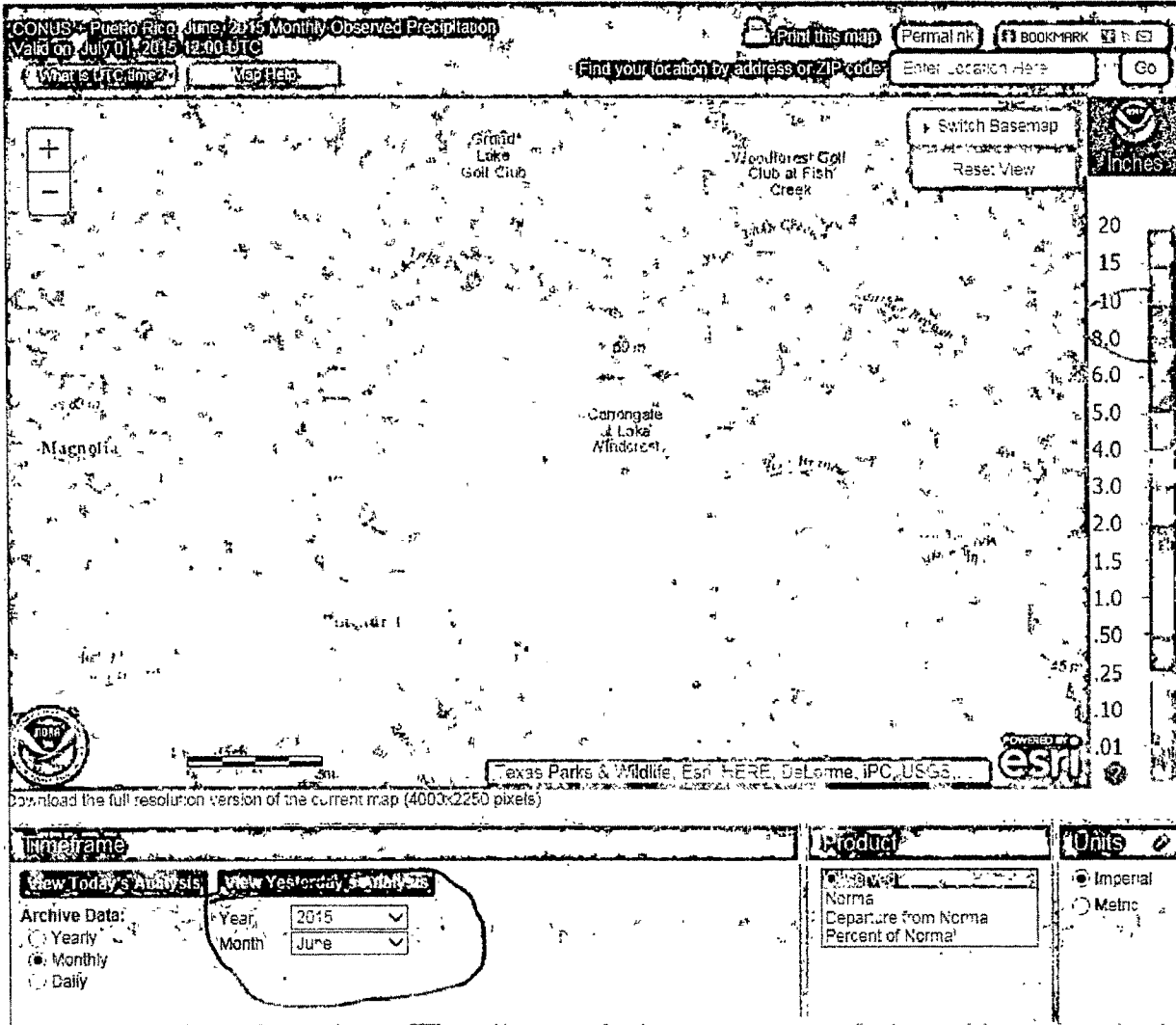
Notes

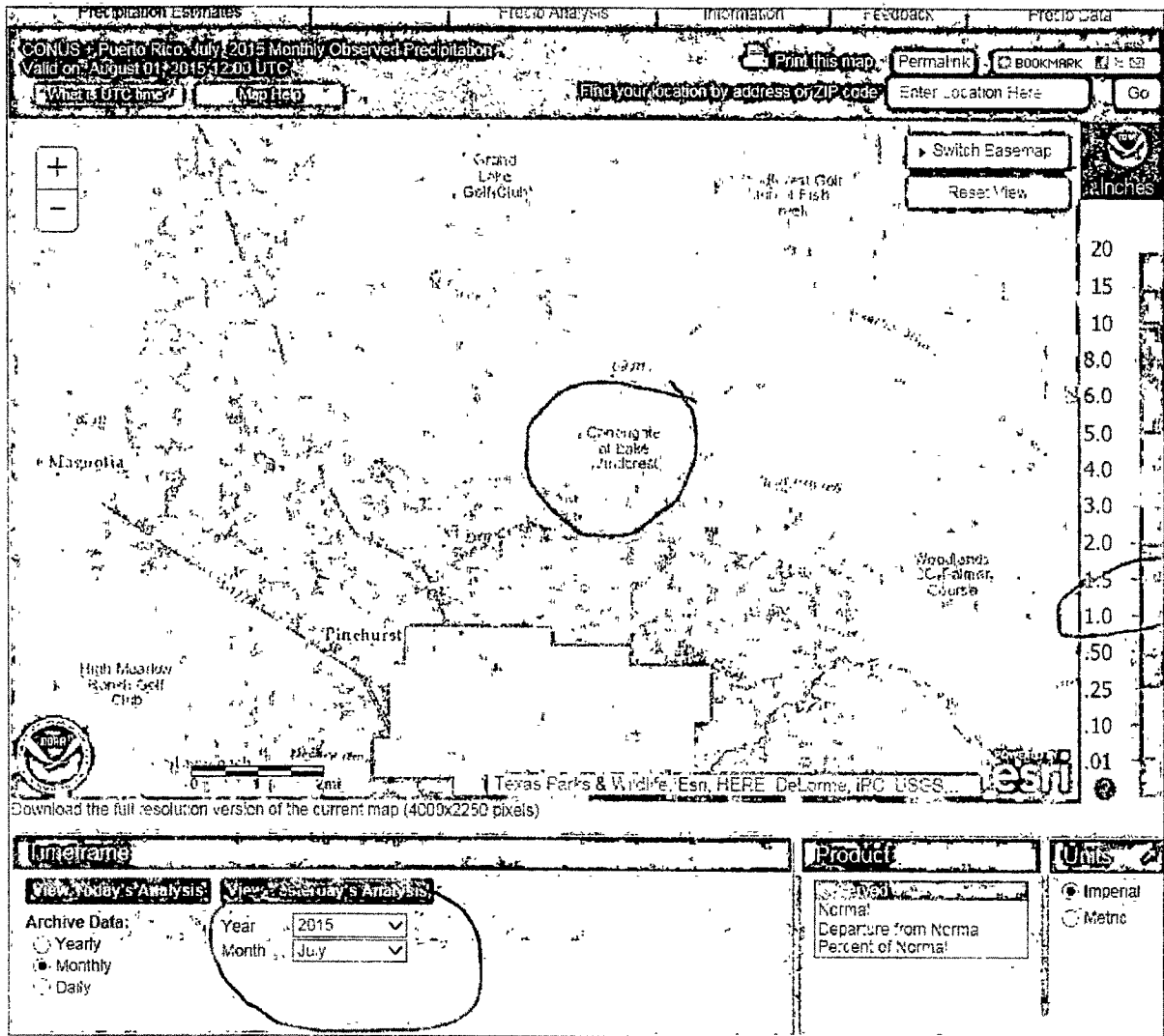
Meter accuracy acceptable, does not exceed AWWA threshold of 101.5%

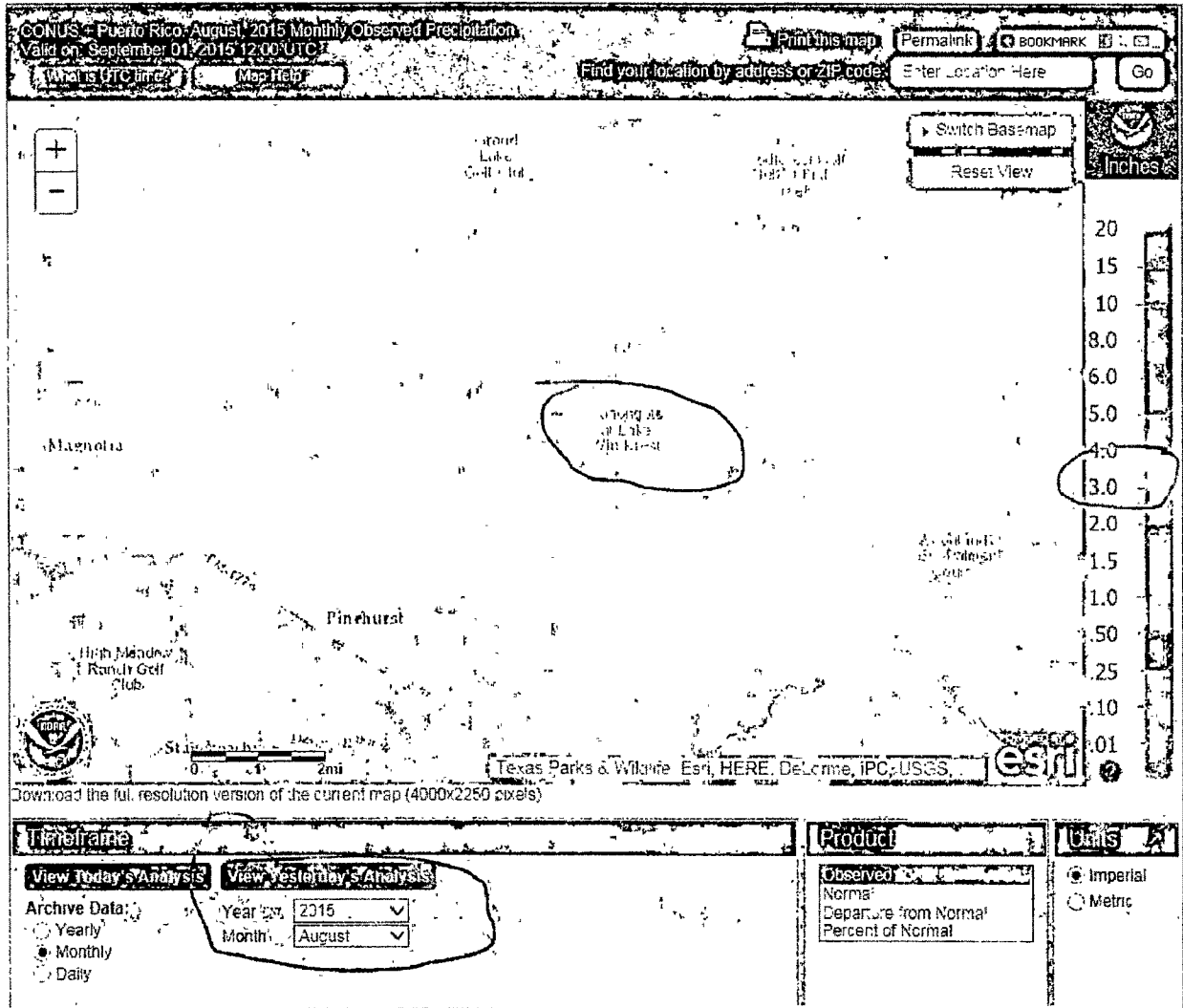
Rainfall Totals For July & August 2016 (Spring Texas Per Weather Underground.com)

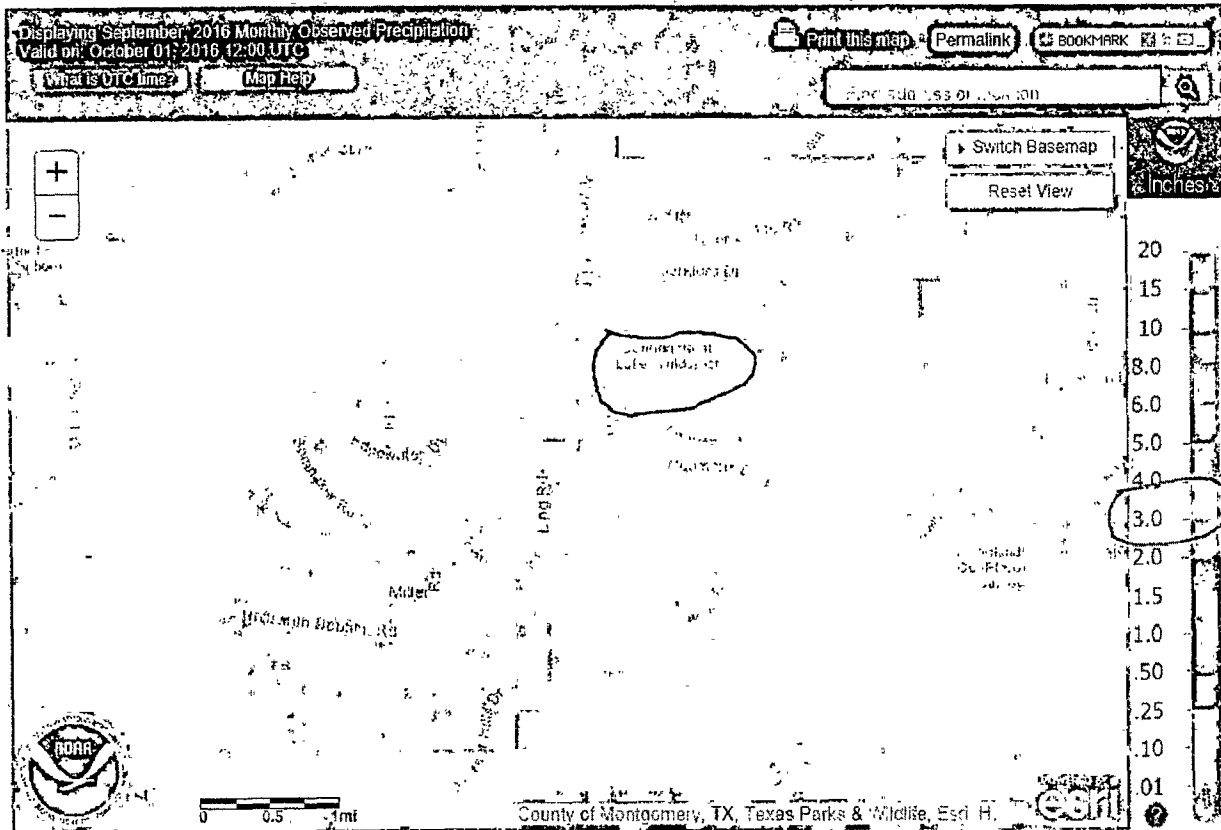
Date	High Temp	Low Temp	Rainfall (in)	Notes
7/1/2016	95	75	0	
7/2/2016	96	75	0	
7/3/2016	96	79	0	
7/4/2016	95	81	0	
7/5/2016	96	82	0	
7/6/2016	95	82	0	
7/7/2016	96	81	0	
7/8/2016	97	80	0	
7/9/2016	97	75	0	
7/10/2016	93	80	0	
7/11/2016	95	80	0	
7/12/2016	96	79	0	
7/13/2016	97	80	0	
7/14/2016	97	80	0	
7/15/2016	98	78	0	
7/16/2016	96	73	0	
7/17/2016	96	75	0	Thunderstorm
7/18/2016	96	75	0.01	Rain , Thunderstorm
7/19/2016	93	77	0.45	Fog , Rain , Thunderstorm
7/20/2016	97	75	0	
7/21/2016	97	75	0	
7/22/2016	98	75	0	
7/23/2016	99	75	0	
7/24/2016	99	77	0	Thunderstorm
7/25/2016	96	75	0	Rain , Thunderstorm
7/26/2016	91	75	0.08	Rain , Thunderstorm
7/27/2016	86	75	0	Rain , Thunderstorm
7/28/2016	90	75	0.78	Rain , Thunderstorm
7/29/2016	93	75	0	Rain , Thunderstorm
7/30/2016	97	75	0	
7/31/2016	93	77	0	Thunderstorm
8/1/2016	97	73	0	
8/2/2016	98	75	0	
8/3/2016	98	75	0	
8/4/2016	98	75	0	
8/5/2016	99	75	0	Rain
8/6/2016	98	75	0	
8/7/2016	98	77	0	
8/8/2016	99	78	0	
8/9/2016	100	77	0	
8/10/2016	100	78	0	
8/11/2016	100	80	0	Thunderstorm
8/12/2016	100	80	0	
8/13/2016	97	75	1.73	Rain-Thunderstorm
8/14/2016	87	73	4.88	Fog-Rain-Thunderstorm
8/15/2016	87	73	0.72	Rain-Thunderstorm
8/16/2016	81	75	0.85	Rain-Thunderstorm
8/17/2016	84	73	0.91	Rain-Thunderstorm
8/18/2016	86	73	0.07	Rain-Thunderstorm
8/19/2016	91	75	0.08	Rain-Thunderstorm
8/20/2016	91	75	0.3	Rain-Thunderstorm
8/21/2016	88	73	0.35	Rain-Thunderstorm
8/22/2016	86	73	0.18	Fog-Rain-Thunderstorm
8/23/2016	95	75	0	Fog
8/24/2016	95	73	0	Fog-Thunderstorm
8/25/2016	91	73	0	Thunderstorm
8/26/2016	90	75	0.02	Rain-Thunderstorm
8/27/2016	91	75	0	Rain
8/28/2016	89	73	0.35	Rain-Thunderstorm
8/29/2016	84	75	0.15	Rain-Thunderstorm
8/30/2016	93	75	0	
8/31/2016	95	75	0.04	Rain











Download the full resolution version of the current map for (4000x2250 pixels)

Timeframe		Product	Units
<input checked="" type="button" value="View Today's Analysis"/>	<input type="button" value="View Yesterday's Analysis"/>	<input type="button" value="Observed"/> Normal Departure from Normal Percent of Normal	<input checked="" type="radio"/> Imperial <input type="radio"/> Metric
Archive Data:	Year: 2016 Month: September		
<input type="radio"/> Yearly			
<input checked="" type="radio"/> Monthly			
<input type="radio"/> Daily			

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Greg Abbott
Governor

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Public Utility Commission of Texas

PUBLIC UTILITY COMMISSION
FILING CLERK

TO: Simon P. Sequeira
Quadvest, L.P.
26926 FM 2978
Magnolia, TX 77354

Commission Staff – Water Utility Regulation Division
Commission Staff – Legal Division

RE: Tariff Control No. 45548 – Application of Quadvest, L.P. to Implement a Pass-Through Rate Change

NOTICE OF APPROVAL

On January 26, 2016, Quadvest, L.P. (Quadvest) filed its annual true-up report for its district pass-through gallonage fee and an application to implement a pass-through rate increase for fees imposed on the utility by several water districts, with the most significant increase coming from the San Jacinto River Authority. The rate increase was effective January 28, 2016.

On February 17, 2016, Public Utility Commission of Texas (Commission) Staff recommended that the application and notice be deemed sufficient and further that application be approved, as specified in the pleading and attached memorandum of Andrew Novak of the Commission's Water Utility Regulation Division. Quadvest mailed notice to affected customers on January 21, 2016, providing the effective date of the increase, the present calculation of customer billings, new calculation of customer billings, changes in charges to the utility for purchased water or water use fees, and the necessary required language by 16 Tex. Admin. Code § 24.21(h)(4)(b). Additionally, Quadvest provided the Commission a copy for the notice sent to customers, proof that the cost of purchased water has changed by the stated amount, and the calculation of the new rate. Commission Staff stated that Quadvest has met all of the requirements set out by the Commission's substantive rules to implement the pass-through fee increase to affected customers. New tariff pages for Quadvest that reflect the rate increase were attached to Commission Staff's recommendation.



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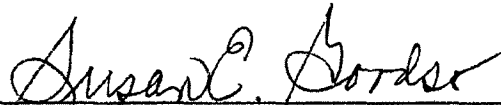
EXHIBIT

A7

Consistent with Commission Staff's recommendation, Quadvest's application and notice are sufficient and the pass-through rate as noticed on January 21, 2016 is approved. The approved tariff pages are attached to this Notice.

SIGNED AT AUSTIN, TEXAS on the 24th day of February 2016.

PUBLIC UTILITY COMMISSION OF TEXAS



SUSAN E. GOODSON

ADMINISTRATIVE LAW JUDGE

q:\cadm\doCKET management\water\tariffs - pass through adj\45xxx\45548-appr.docx



WATER UTILITY TARIFF

Docket Number: 45548

Quadvest, L.P.
(Utility Name)

26926 FM 2978
(Business Address)

Magnolia, Texas 77354
(City, State, Zip Code)

281/356-5347
(Area Code/Telephone)

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

11612

This tariff is effective in the following counties:

Aransas, Brazoria, Fort Bend, Harris, Jackson, Liberty, Montgomery and Waller

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

Richmond (portion of Bridlewood Estates only - same rates)

This tariff is effective in the following subdivisions or systems:

See attached chart.

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	3
SECTION 3.0 -- EXTENSION POLICY	11
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN.....	18
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Benders Landing Estates	1700678		Montgomery
Brazos Lakes	0790363		Fort Bend
Bridlewood Estates	0790350		Fort Bend
Campwood	1700624		Montgomery
Canterbury Ranch	1700624		Montgomery
Chenango Ranch	0200656		Brazoria
Clear Creek Forest (Section 13 North)	1700576		Montgomery
The Colony	1011806		Harris
Estates of Clear Creek	1700576		Montgomery
Creekside Village	1700742		Montgomery
Decker Oaks Subdivision	1700605		Montgomery
Grand San Jacinto	14600179		Liberty
Indigo Lakes Estates	1700576		Montgomery
Lake Windcrest	1700624		Montgomery
Live Oak Landing	1610129		Matagorda
Lone Star Ranch	1700655		Montgomery
Magnolia Lakes	1700736		Montgomery
McCall Sound	1700763		Montgomery
Montgomery Trace	1700577		Montgomery
Mostyn Manor I, II, III	1700669		Montgomery
Northcrest Ranch Section I, II, III	1700623		Montgomery
Oaks of Suncreek	0200640		Brazoria
Red Oak Ranch	1700609		Montgomery
Rocky Creek	1013393		Harris
Sawmill Estates	1700576		Montgomery
Sendera Ranch	1700577		Montgomery
Shaw Acres	1013468		Harris

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$28.75</u> (Includes 0 gallons)	<u>\$1.75</u> per 1000 gallons for the first 10,999 gallons
1"	<u>\$71.88</u>	<u>\$2.00</u> per 1,000 gallons from 11,000 to 20,999 gallons
1 1/2"	<u>\$143.75</u>	<u>\$2.25</u> per 1,000 gallons from 21,000 to 30,999 gallons
2"	<u>\$230.00</u>	<u>\$3.00</u> per 1,000 gallons thereafter
3"	<u>\$460.00</u>	
4"	<u>\$718.75</u>	
6"	<u>\$1,437.50</u>	

An additional pass through gallage charge of \$2.60 per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the utility. Bluebonnet GRP, Brazoria GRP, City of Rosenberg GRP, North Fort Bend GRP, West Harris Regional, Harris-Galveston, Subsidence District, San Jacinto River Authority GRP (Docket No. 45548). **SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.**

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$790.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE.....\$870.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

SUBDIVISION	PWS ID NUMBER	COUNTY
Sierra Woods	1700624	Montgomery
Sonoma Ridge	1700763	Montgomery
Stonecrest Ranch	1700611	Montgomery
Summerset Estates	1700655	Montgomery
Suncreek Estates	0200640	Brazoria
Suncreek Ranch	0200616	Brazoria
Sunrise Bay	1200037	Jackson
Sunset Bay	0040055	Aransas
Telge Terrace	1011805	Harris
Timberdale	1011810	Harris
Vaquero River Estates	1610129	Matagorda
Waterstone Estates	1013389	Harris
Westwood	2370042	Waller
Windcrest Farms	1700577	Montgomery
Yesterdays Crossing	1700758	Montgomery

The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility.

SECTION 1.0 -- RATE SCHEDULE (CONTINUED)

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\$50.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

TRANSFER FEE\$45.00

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

LATE CHARGE (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.

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

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.

METER RELOCATION FEE.....Actual Cost to Relocate the existing Meter

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

METER CONVERSION FEE.Actual Cost to Convert the existing Meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMERS SERVICE DEMAND.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [PUC Subst. R. 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.

SECTION 1.0 – RATE SCHEDULE (CONTINUED)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or government body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0 - r)}$$

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC 24.21(l).

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

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:

$$RVP = (E + (AP - AC)) / (JC \times AU), \text{ Where:}$$

RVP = Adjusted gallonage charge, rounded to the nearest cent

E = Estimated sum of upcoming 12 months of purchase water and groundwater conservation district costs

AP = Actual payments up to 12 months (February through January of previous year)

AC = Actual collections up to 12 months (February through January of previous year)

JC = January month end customer connections

AU = Average annual usage per connection from most recent rate case

The adjusted gallonage charge must be true up and adjusted every twelve months.

To implement, all notice requirements must be met.

With the annual true up report adjusting the pass through for the next 12 months, the utility shall provide a five year report showing the annual and accumulated difference between pass through amounts collected from customers and amounts actually paid to the entities whose charges are included in the pass through and the formula for the estimates included in the pass through charge, the definition of all variables used in the estimate, the basis for any projections and any standard operating procedures of the utility for estimating.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$17.98 (Includes 0 gallons)	\$2.29 per 1000 gallons
1"	\$44.95	
1 1/2"	\$89.90	
2"	\$143.84	
3"	\$269.71	
4"	\$449.51	
6"	\$899.02	
8"	\$1,438.43	

An additional pass through gallage charge of \$2.60 per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility: Bluebonnet GRP, Brazoria GRP, City of Rosenberg GRP, North Fort Bend GRP, West Harris Regional, Harris-Galveston Subsidence District, San Jacinto River Authority GRP (Docket No. 45548). **SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.**

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REGULATORY ASSESSMENT.....1.0%
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WATER UTILITY TARIFF FOR

Quadvest, L.P.
(Utility Name)

P.O. Box 409
(Business Address)

Tomball, Texas 77377
(City, State, Zip Code)

281/356-5347
(Area Code/Telephone)

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

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This tariff is effective in the following counties:

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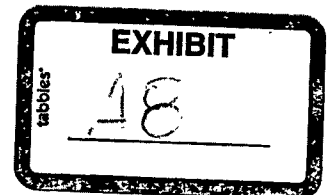
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See attached chart.

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Sendera Ranch	1700577	Montgomery
Shaw Acres	1013468	Harris

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Section 1.01 - Rates

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3"	\$460.00	
4"	\$718.75	
6"	\$1,437.50	

An additional pass through gallonage charge of \$1.93 per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the utility. Bluebonnet GRP, Brazoria GRP, City of Rosenberg GRP, North Fort Bend GRP, West Harris Regional, Harris-Galveston Subsidence District, San Jacinto River Authority GRP. SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.

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 FOR CASH PAYMENTS.

REGULATORY ASSESSMENT.....1.0%
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 BILL.

Section 1.02 - Miscellaneous Fees

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 TARIFF.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

RATES LISTED ARE EFFECTIVE ONLY
 IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY
 37531-R, CCN 11612, APRIL 8, 2013
 APPROVED TARIFF BY 2182

SECTION 1.0 -- RATE SCHEDULE (CONTINUED)

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\$50.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

TRANSFER FEE\$45.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)10%

TCEQ 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.

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

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.

METER RELOCATION FEE.....Actual Cost to Relocate the existing Meter

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

METER CONVERSION FEE.Actual Cost to Convert the existing Meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMERS SERVICE DEMAND.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

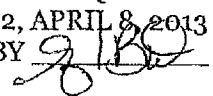
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

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.

RATES LISTED ARE EFFECTIVE ONLY
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TEXAS COMM. ON ENVIRONMENTAL QUALITY

37531-R, CCN 11612, APRIL 8, 2013
APPROVED TARIFF BY 

SECTION 1.0 -- RATE SCHEDULE (CONTINUED)

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or government body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0 - r)}$$

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 30 TAC 291.21(l).

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

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:

$$RVP = (E + (AP - AC)) / (JC \times AU), \text{ Where:}$$

RVP = Adjusted gallonage charge, rounded to the nearest cent

E = Estimated sum of upcoming 12 months of purchase water and groundwater conservation district costs

AP = Actual payments up to 12 months (February through January of previous year)

AC = Actual collections up to 12 months (February through January of previous year)

JC = January month end customer connections

AU = Average annual usage per connection from most recent rate case

The adjusted gallonage charge must be trued up and adjusted every twelve months.

To implement, all notice requirements must be met.

With the annual true up report adjusting the pass through for the next 12 months, the utility shall provide a five year report showing the annual and accumulated difference between pass through amounts collected from customers and amounts actually paid to the entities whose charges are included in the pass through and the formula for the estimates included in the pass through charge, the definition of all variables used in the estimate, the basis for any projections and any standard operating procedures of the utility for estimating.

RATES LISTED ARE EFFECTIVE ONLY
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TEXAS COMM. ON ENVIRONMENTAL QUALITY

37531-R, CCN 11612, APRIL 8, 2013

APPROVED TARIFF BY S. KID

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4" gallons	\$17.98 (Includes 0 gallons)	\$2.29 per 1000
1"	\$44.95	
1 1/2"	\$89.90	
2"	\$143.84	
3"	\$269.71	
4"	\$449.51	
6"	\$899.02	
8"	\$1,438.43	

An additional pass through gallage charge of \$1.93 per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility. Bluebonnet GRP, Brazoria GRP, City of Rosenberg GRP, North Fort Bend GRP, West Harris Regional, Harris-Galveston Subsidence District, San Jacinto River Authority GRP. SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$790.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF
LISTED ON THIS TARIFF.

TAP FEE.....\$870.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4"
and 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS
TARIFF.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

RATES LISTED ARE EFFECTIVE ONLY
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TEXAS COMM. ON ENVIRONMENTAL QUALITY

37531-R, CCN 11612, APRIL 8, 2013
APPROVED TARIFF BY 7/13/13

SECTION 1.0 -- RATE SCHEDULE (Continued)

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 \$50.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

TRANSFER FEE \$45.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%

TCEQ 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.

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

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.

METER RELOCATION FEE..... Actual Cost to Relocate the existing Meter

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

METER CONVERSION FEE. Actual Cost to Convert the existing Meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMERS SERVICE DEMAND.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(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.

RATES LISTED ARE EFFECTIVE ONLY
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TEXAS COMM. ON ENVIRONMENTAL QUALITY

37531-R, CCN 11612, APRIL 8, 2013

APPROVED TARIFF BY

[Signature]

SECTION 1.0 -- RATE SCHEDULE (Continued)

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or government body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0 - r)}$$

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff prr shall equal 0.5

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 30 TAC 291.21(I).

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

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:

$$RVP = (E + (AP - AC)) / (JC \times AU), \text{ Where}$$

RVP = Adjusted gallonage charge, rounded to the nearest cent

E = Estimated sum of upcoming 12 months of purchase water and groundwater conservation district costs

AP = Actual payments up to 12 months (February through January of previous year)

AC = Actual collections up to 12 months (February through January of previous year)

JC = January month end customer connections

AU = Average annual usage per connection from most recent rate case

The adjusted gallonage charge must be trueed up and adjusted every twelve months.

To implement, all notice requirements must be met.

With the annual true up report adjusting the pass through for the next 12 months, the utility shall provide a five year report showing the annual and accumulated difference between pass through amounts collected from customers and amounts actually paid to the entities whose charges are included in the pass through and the formula for the estimates included in the pass through charge, the definition of all variables used in the estimate, the basis for any projections and any standard operating procedures of the utility for estimating.

RATES LISTED ARE EFFECTIVE ONLY
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**SEWER UTILITY TARIFF
FOR**

Quadvest, L.P.
(Utility Name)

P.O. Box 409
(Business Address)

Tomball, Texas 77377
(City, State, Zip Code)

281/356-5347
(Area Code/Telephone)

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

20952

This tariff is effective in the following county:

Harris, Montgomery

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

None

This tariff is effective in the following subdivisions and water quality permit numbers:

Bauer Road: Permit No. 14675-001

Benders Landing: Permit No. 14755-001

Lonestar Ranch Section III, Lonestar Ranch Section IV and Somerset: Permit No. 14029-001

Creeside Village: Permit No. 14531-001

Magnolia Lakes: Permit No. 1452-001

Magnolia ISD, Mostyn Manor: Permit No. 14711-001

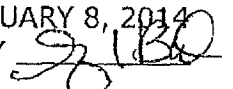
Decker Oaks Subdivision: WQ0013863-001

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.....	4
SECTION 3.0 -- EXTENSION POLICY.....	9

APPENDIX A -- SAMPLE SERVICE AGREEMENT



SECTION 1.0 - RATE SCHEDULE

Rates Effective April 8, 2013

<u>Meter Size</u>	<u>Monthly Flat Rate</u> (Includes 0 gallons)
5/8" x 3/4"	<u>\$67.50</u>
3/4"	<u>\$67.50</u>
1"	<u>\$67.50</u>
1 1/2"	<u>\$337.50</u>
2"	<u>\$540.00</u>
3"	<u>\$1,012.50</u>
4"	<u>\$1,687.50</u>
6"	<u>\$3,375.00</u>
8"	<u>\$5,400.00</u>
10"	<u>\$7,762.50</u>

Residential sewer service will be billed the monthly flat rate only.

Non-residential service connections will be billed the monthly flat rate plus \$3.33 per 1,000 gallons of actual water meter usage as supplied by the water utility.

Rates Effective January 8, 2014

<u>Meter Size</u>	<u>Monthly Flat Rate</u> (Includes 0 gallons)
5/8" x 3/4"	<u>\$76.00</u>
3/4"	<u>\$76.00</u>
1"	<u>\$76.00</u>
1 1/2"	<u>\$380.00</u>
2"	<u>\$608.00</u>
3"	<u>\$1,140.00</u>
4"	<u>\$1,900.00</u>
6"	<u>\$3,800.00</u>
8"	<u>\$6,080.00</u>
10"	<u>\$8,740.00</u>

Residential sewer service will be billed the monthly flat rate only.

Non-residential service connections will be billed the monthly flat rate plus \$3.33 per 1,000 gallons of actual water meter usage as supplied by the water utility.

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft

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.

RATES LISTED ARE EFFECTIVE ONLY

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SECTION 1.0 - RATE SCHEDULE CONT.

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

Section 1.02 - Miscellaneous Fees

TAP FEE (Gravity Sewer) for 5/8 x 3/4-inch water meter..... \$790.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE..... \$870.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Meter)..... Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

TAP FEE (Unique costs)..... Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

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 \$50.00

TRANSFER FEE \$45.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... 10%
TCEQ 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.

RETURNED CHECK CHARGE..... \$25.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 - RATE SCHEDULE CONT.

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT1/6TH OF ESTIMATED ANNUAL BILL

SERVICE RELOCATION FEE.....Actual Cost to relocate that service connection
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING
SERVICE CONNECTION

SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS
WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY
MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER
TESTING. [30 TAC 291.21(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.

RATES LISTED ARE EFFECTIVE ONLY
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