



Control Number: 46459



Item Number: 3

Addendum StartPage: 0

APPLICATION OF COPANO HEIGHTS §
WATER COMPANY FOR A PASS- §
THROUGH RATE CHANGE §

RECEIVED
PUBLIC UTILITY COMMISSION
2016 NOV -8 PM 2:31
OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S RECOMMENDATION

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

I. BACKGROUND

On October 21, 2016, Copano Heights Water Company filed an application to pass through a rate increases in purchase water fees assessed by the City of Rockport. The requested rate increase would affect all Copano Heights customers. The requested effective date for the pass-through rate increase is November 12, 2016.

On October 27, 2016, the administrative law judge (ALJ) set November 8, 2016, as the deadline for Staff to file a recommendation on Copano Height's application, sufficiency of notice and propose a procedural schedule. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF THE APPLICATION AND NOTICE.

The implementation of a purchased water provision qualifies as a minor tariff change.¹ Pursuant to 16 Texas Admin. Code § 24.21(h)(4) (TAC), if a utility wishes to revise billings to its customers pursuant to an approved purchased water treatment or water use fee provision to allow for the recovery of additional costs, then prior to the beginning of the billing period in which the revision takes effect, the utility must submit written notice to the Commission, and give proper notice to the affected customers.²

Staff has reviewed Copano Heights's application, and based on the attached memorandum of Jonathan Ramirez of the Commission's Water Utilities Division, Staff

¹ 16 TAC § 24.21(b)(2)(iii)

² 16 TAC § 24.21(h)(4)

recommends the application be deemed complete and sufficient. The Applicant's mailed notice to affected customers on October 21, 2016 included the effective date of the increase, the present calculation of customer billings, the new calculation of customer billings, the change in charges to the utility for purchased water or water use fees, and the necessary language required by 16 TAC § 24.21(h)(4)(b). Additionally, in accordance with 16 TAC § 24.21(h)(5), the Applicant's notice to the Commission included a copy of the notice sent to customers, proof that the cost of purchased water has changed by the stated amount, and the calculation of the new rates. Thus, the Applicant has met all of the requirements set out by the Commission's substantive rules to implement the pass-through fee to affected customers.

RECOMMENDATION ON RATE AND TARIFF

As supported by the Staff memorandum of Jonathan Ramirez, Staff recommends that the pass-through rate for Copano Heights be raised \$0.14 per 1,000 gallons. Staff has attached to this recommendation two tariffs: one reflecting the increase of \$0.14 per 1,000 gallons without taking into account the pending rate/tariff change for Copano Heights in Docket No. 45693, and one reflecting the increase of \$0.14 per 1,000 gallons taking into account the recommended rate changes in Docket No. 45693.

III. CONCLUSION

Staff respectfully requests an order be issued consistent with this recommendation.

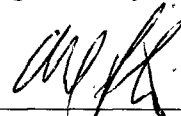
Dated: November 8, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney



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(512) 936-7377
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TARIFF CONTROL NO. 46459

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on November 8, 2016 in accordance with 16 TAC § 22.74.



Alexander Petak

PUC Interoffice Memorandum

To: Alexander Petak, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Heidi Graham, Technical Manager
Water Utilities Division

From: Jonathan Ramirez, Financial Analyst
Water Utilities Division

Date: November 8, 2016

Subject: **Tariff Control No. 46459**; *Application of Copano Heights Water Company for a Pass-Through Rate Change*

On October 21, 2016, Copano Heights Water Company, Certificate of Convenience and Necessity (CCN) No. 11960, filed an application to implement a pass-through rate change due to an increase in purchased water fees assed by the City of Rockport. The rate increase will affect all Copano Heights customers. The pass-through rate increase will become effective on November 12, 2016.

The applicant proposed to increase the purchased water pass through rate from \$5.46 to \$5.60 per 1,000 gallons of water usage (\$0.14 pass through increase per 1,000 gallons, adjusted to reflect an 8.75% water loss). Staff confirmed that the City of Rockport has increased its rates using the documents provided with the application. Notice by the Applicant was correctly provided to the customers pursuant to 16 Tex. Admin. Code§ 24.21(h)(4) and (5) prior to October 31, 2016, according to the application.

Based upon review of the information submitted, Staff finds that the application is sufficient and recommends that the commission:

1. Find that the application is sufficient for filing;
2. Approve the pass-through application as filed; and,
3. Order Staff to provide a tariff once CADM has issued an order approving the tariff in Docket No. 45693



WATER UTILITY TARIFF

Docket Number: 46459

Danny C. Cox, Sr., dba
Copano Heights Water Company
(Utility Name)

P.O. Box 627
(Business Address)

Fulton, TX 78358
(City, State, Zip Code)

361-729-1903
(Area Code/Telephone)

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

11960

This tariff is effective in the following county:

Aransas

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

None

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

Copano Heights Unit 1 & 2, Water System: PWS #0040017

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	12

APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B -- APPLICATION FOR SERVICE

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"	\$24.86 (including 0 gallons)	\$4.31* per 1,000 gallons
3/4"	\$24.86	
1"	\$24.86	
1½"	\$24.86	
2"	\$24.86	
3"	\$24.86	
4"	\$24.86	

***The above gallage rate includes an increase of \$0.14 from \$4.17 to \$4.31 per 1,000 gallons for purchased water from the City of Rockport, including adjusted for 8.75% water loss. (Docket No. 46459)**

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 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 Fee

TAP FEE \$950.00
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 COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR FOR THE METER INSTALLED.

METER RELOCATION FEE Actual 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 MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE\$25.00

THE RECONNECTION 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).....\$25.00

b) Customer's request that service be disconnected.....\$25.00

TRANSFER FEE\$25.00

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

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

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 RETURNED CHECK CHARGE\$25.00

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

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. [30 TAC 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.

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:

$$AG = G + B/(1-L), \text{ where}$$

AG = adjusted gallonage charge, rounded to the nearest one cent;

G = approved gallonage charge (per 1,000 gallons);

B = change in purchased water/district gallonage charge (per 1,000 gallons);

L = system average line loss for preceding 12 month period not to exceed 15%.



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5/8" or 3/4"	<u>\$31.91</u> (including 0 gallons)	<u>\$5.60*</u> per 1,000 gallons
3/4"	<u>\$47.87</u>	
1"	<u>\$79.78</u>	
1½"	<u>\$159.55</u>	
2"	<u>\$255.28</u>	
3"	<u>\$478.65</u>	
4"	<u>\$797.75</u>	

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