



Control Number: 46497



Item Number: 15

Addendum StartPage: 0

TARIFF CONTROL NO. 46497

APPLICATION OF DEER CREEK
RANCH WATER COMPANY FOR A
PASS-THROUGH RATE CHANGE

§
§
§

PUBLIC UTILITY COMMISSION
OF TEXAS

RECEIVED
2017 APR -6 PM 2:10
PUBLIC UTILITY COMMISSION
FILING CLERK

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 in response to a Notice Extending Deadline and would show the following:

I. BACKGROUND

On October 31, 2016, Deer Creek Ranch Water Company filed an application for approval of a pass-through rate change for fees imposed on the utility for purchased water.

Deer Creek's request is governed by 16 Texas Administrative Code § 24.21 (TAC). The review of a proposed revision of a utility's billings to its customers to allow the recovery of additional costs under the utility's approved pass through provision is an informal proceeding.¹ Only Staff, or the utility, may request a hearing on the proposed revision.² On January 26, 2017, a Notice was issued finding the application administratively complete.

On March 1, 2017, a Notice was issued establishing a deadline of April 7, 2017 for Staff to file a final recommendation on the application. This pleading is therefore timely filed.

II. FINAL RECOMMENDATION

As detailed in the attached memorandum from Emily Sears in the Commission's Water Utility Regulation Division, Staff has reviewed Deer Creek's application as supplemented and recommends approval of Deer Creek's application to pass through revised monthly fees and gallonage charges, effective October 1, 2016. A copy of Deer Creek's revised tariff is attached.

¹ 16 TAC § 24.21(b)(2)(B). The Commission has amended § 24.21 since Deer Creek filed this application. A provision analogous to the provision cited may be found at § 24.21(h)(3) of the version of the rule in effect when Deer Creek filed its application.

² *Id.*

III. CONCLUSION

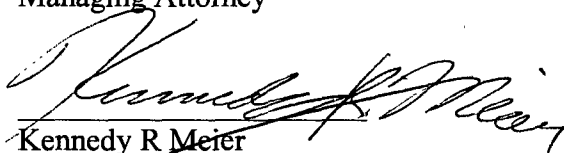
For the reasons stated above, Staff respectfully recommends that Deer Creek's application be approved.

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

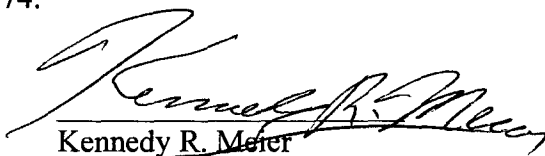


Kennedy R. Meier
State Bar No. 24092819
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7265
(512) 936-7268 (facsimile)
kennedy.meier@puc.texas.gov

TARIFF CONTROL NO. 46497

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 6th of April, 2017 in accordance with 16 TAC § 22.74.



Kennedy R. Meier

Public Utility Commission of Texas

Memorandum

To: Kennedy Meier, Attorney
Legal Division

Thru: Tammy Benter, Director
Debi Loockerman, Manager
Water Utilities Division

From: Emily Sears, Financial Analyst
Water Utilities Division

Date: April 6, 2017

Subject: **Tariff Control No. 46497; Application of Deer Creek Ranch Water Company for a Pass-Through Rate Change**

On October 31, 2016, Deer Creek Ranch Water Company (Deer Creek or Applicant), Certificate of Convenience and Necessity (CCN) No. 11241, filed an application with the Public Utility Commission of Texas (PUC) to implement an adjustment of its pass-through gallonage charge pursuant to 16 Tex. Admin. Code § 24.21(h) (TAC).

This application will decrease the purchased water fee to Deer Creek customers from \$2.76 per 1,000 gallons to \$2.19 per 1,000 gallons. This includes a decrease from West Travis County Public Utility Agency (WTCPUA) volumetric rate from \$1.81 per 1,000 gallons to \$1.64 per 1,000 gallons, and removal of the Lower Colorado River Authority (LCRA) Reservation fee from the gallonage charge. The monthly fee will also increase from \$13,687.58 to \$13,787.84, inclusive of the WTCPUA annual fee of \$50,000, the \$8,110.75 monthly fee, and the LCRA Reservation fee. These fee changes became effective October 1, 2016.

Based on the above information, Staff recommends:

1. Approval of the pass-through change and issuance of an order to the Applicant; and
2. Provision of a copy of an approved tariff to the Applicant (attached).



WATER UTILITY TARIFF

Tariff Control Number: 46497

Deer Creek Ranch Water Company, LLC
(Utility Name)

P.O. Box 436
(Business Address)

Dripping Springs, Texas 78620
(City, State, Zip Code)

(512)858-5276
(Area Code/Telephone)

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

11241

This tariff is effective in the following counties:

Hays and Travis

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:

Deer Creek Water Company: PWS ID #2270049

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	10
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN.....	14
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"	\$44.00 (includes 0 gallons)	\$2.00 per 1,000 gallons, 0-2,000 gallons
1"	\$110.00	\$4.00 per 1,000 gallons, next 2,001-4,000 gallons
1 1/2"	\$220.00	\$5.00 per 1,000 gallons, next 4,001-6,000 gallons
2"	\$352.00	\$6.25 per 1,000 gallons, 6,001 and thereafter
3"	\$660.00	
4"	\$1,100.00	*Plus

*Plus **\$2.19** per 1,000 gallons for West Travis County Public Utility Agency (WTCPUA) and Lower Colorado River Authority (LCRA) pass through fees
 $[(\$1.64+0.22)/(1-0.15)] = \$2.19/1,000$ gallons

*Plus **\$13,787.84/(number of accounts at the beginning of the monthly billing cycle)**
(Tariff Control No. 46497)

*Less a refund to pass back over collections as ordered in Tariff Control No. 45550, which will continue for two years, or until all amounts are passed back.
(Tariff Control No. 45550)

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 REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$1,200.00
 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 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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees (continued)

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 \$25.00.

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\$50.00

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\$30.00

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

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT1/6TH 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. [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)

Section 1.02 - Miscellaneous Fees (continued)

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 charges according to the following formula:

$$G = (B_1 + B_2) / (1 - L)$$

$$M = (W + A + L) / C$$

Where:

G = additional gallonage charge, rounded to the nearest one cent

B₁ = WTCPUA gallonage charge (per 1,000 gallons)

B₂ = LCRA Diversion and Use (per 1,000 gallons)*

L = system average line loss for preceding 12 months not to exceed 0.15

M = additional monthly base charge

W = WTCPUA monthly minimum base charge

A = WTCPUA annual fee/12 months in the billing year**

L = LCRA monthly reservation fee***

C = number of accounts at the beginning of the monthly billing cycle

*(Diversion and Use in ac-ft – Reservation Fee in ac-ft)/325.851429.

**WTCPUA Annual fee is \$50,000.

*** (Reservation fee x number of ac-ft reserved per contract)/12 months in the billing year.

To implement the Temporary Water Rate, the utility must comply with all notice requirements of 16 TAC §24.21.