



Control Number: 46497



Item Number: 18

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PUBLIC UTILITY COMMISSION  
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## ***Public Utility Commission of Texas***

**TO: Randall B. Wilburn**  
7000 N. MoPac Expwy, Suite 200  
Austin, TX 78731

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

**RE: Tariff Control No. 46497 – *Application of Deer Creek Ranch Water Company, LLC for a Pass-Through Rate Change***

### **NOTICE OF APPROVAL**

This Notice addresses Deer Creek Ranch Water Company, LLC's request for approval of pass-through rate changes due to a change in monthly and volumetric purchased water fees imposed on the utility by the West Travis County Public Utility Agency (WTCPUA). The pass-through rate changes affect all of Deer Creek's customers and the requested effective date was October 1, 2016. Deer Creek supplemented its application on December 21, 2016, January 10, 2017 and January 17, 2017.

On April 6, 2017, Commission Staff recommended approval of the application, as specified in the pleading and attached memorandum of Emily Sears of the Commission's Water Utility Regulation Division. On April 25, 2017, Commission Staff provided requested clarification. Commission Staff recommended approval of a decrease in Deer Creek's pass-through gallonage rate from \$2.76 per 1,000 gallons to \$2.19 per 1,000 gallons, which includes diversion and use fees from the Lower Colorado River Authority (LCRA), recognizes a reduction in the WTCPUA volumetric rate, and recognizes removal of the LCRA reservation fee from the gallonage charge. Commission Staff also recommended an increase in Deer Creek's monthly pass-through fee from \$13,687.58 to \$13,787.84, which is divided by the number of accounts at the beginning of the monthly billing cycle, and which is inclusive of the

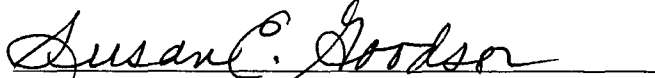


WTCPUA's annual fee of \$50,000, WTCPUA's monthly fee of \$8,110.75, and the LCRA reservation fee. Commission Staff provided revised tariff pages for Deer Creek.

Consistent with Commission Staff's recommendation, Deer Creek's application is approved. A pass-through gallonage rate of \$2.19 per 1,000 gallons for service rendered as of October 1, 2016 is approved. A pass-through monthly fee of \$13,787.84/the number of accounts at the beginning of the monthly billing cycle is approved, effective October 1, 2016. The approved revised tariff pages are attached to this Notice.

Signed at Austin, Texas the 2<sup>nd</sup> day of May 2017.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in cursive script, reading "Susan E. Goodson", is written over a horizontal line.

SUSAN E. GOODSON

ADMINISTRATIVE LAW JUDGE



**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):

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APPENDIX B -- APPLICATION FOR SERVICE	

# **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).

## SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge 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

$[(\$1.64+0.22)/(1-0.15)] = \$2.19/1,000 \text{ gallons}$

\*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 DEPOSIT .....1/6TH 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

B<sub>1</sub> = WTCPUA gallonage charge (per 1,000 gallons)

B<sub>2</sub> = 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.