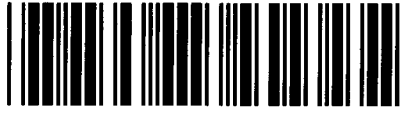




Control Number: 46600



Item Number: 1

Addendum StartPage: 0



46600

consulting environmental engineers, inc.

150 n. harbin drive – suite 408 • stephenville, tx 76401

phone: (254) 968-8130 fax: (254) 968-8134

email: ceeinc@ceeinc.org registered firm: #F-2323

RECEIVED
2016 NOV 21 AM 9:35
PUBLIC UTILITY COMMISSION
FILING CLERK

November 17, 2016

Public Utility Commission
Central Records
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

RE: Application for Crest Water Company to Implement a Pass-Through Rate Change for Certificate of Convenience and Necessity (CCN) No. 12037 in Johnson, Ellis, Hill, and Somervell Counties

To whom it may concern:

Enclosed please find the following notice for implementing a pass-through provision as a minor tariff change for Crest Water Company's current tariff. This provision is to pass-through to affected customers water use fees charged by the Prairielands Groundwater Conservation District. The following items are enclosed to support the noticed increase:

1. Copy of letter from Prairielands Groundwater Conservation District identifying its jurisdiction of Crest Water Company along with monthly fee payment instructions identifying the current water use fee of \$0.20 per 1,000 gallons.
2. Copy of the notice to be mailed to all affected customers upon PUC approval.
3. Email from Prairielands Groundwater Conservation District summarizing the gallons of water used and the amount paid by Crest Water Company during the 12 month period from July 1, 2015 to June 30, 2016 along with monthly water usage reports.
4. Crest Water Company summary identifying the gallons pumped and gallons billed to customers during the same 12 month period used to calculate line loss.
5. Copy of Crest Water Company's existing tariff that will change if this application is approved.

Please let me know if you require any further information.

Sincerely,

Dustan DeWinne P.E.

Dustan DeWinne, P.E.
Project Engineer

64



**PRAIRIELANDS GROUNDWATER
CONSERVATION DISTRICT**

ELLIS HILL JOHNSON SOMERVELL

P.O. Box 3128 | 205 S. Caddo Street | Cleburne, TX 76033 | Ph: 817-556-2299 | Fax: 817-556-2305 | www.prairielandsgcd.org

November 15, 2016

Consulting Environmental Engineers, Inc.
150 N. Harbin Dr., Suite 408
Stephenville, TX 76401

Mr. Dewinne,

Thank you for your call inquiring about the Prairielands Groundwater Conservation District and its jurisdiction over the water systems owned and operated by your client, Crest Water Company.

The District was created by the Texas Legislature in 2009, with authority to regulate the drilling and operation of water wells and manage the aquifers located in Ellis, Hill, Johnson, and Somervell counties. So, to the extent that your client has water wells that are located in one of those four counties, they are subject to the jurisdiction of the District. The District's legal authority comes from Chapter 8855 of the Texas Special Districts Local Laws Code and Chapter 36 of the Texas Water Code.

The District's board of directors adopted temporary rules in 2010 to implement its statutory authority that, among other things, govern the registration of water wells, metering, reporting and water use fee payment requirements. Under those temporary rules, any public water system that can produce 25 gallons per minute or more of groundwater through a single well or through a combination of wells tied to the same system, is subject to the well registration, metering, reporting, and water use fee payment requirements. The vast majority of public water systems and other well owners subject to these requirements have complied with the District's rules requirements without incident. In the unfortunate circumstance where compliance becomes an issue, the District enforces its rules through the enforcement process set out in detail in the rules, which can include assessment of civil penalties and injunctions through a district court, and assessment of attorney's fees, among others.

You also inquired about notice. Notice of the creation of the District was accomplished by the Texas Legislature in 2008 before the bill creating the District was introduced in the Legislature, which included working with the four counties' commissioners' courts and newspaper publication of notice in the four counties. The District's rules and all amendments to those rules were adopted only after publication of

JIM CONKWRIGHT – GENERAL MANAGER
CHARLES BESEDA – PRESIDENT
DENNIS ERINAKES – 1ST VICE PRESIDENT

RANDY KIRK – 2ND VICE PRESIDENT
MAURICE OSBORN – SECRETARY/TREASURER
MARTY MCPHERSON – DIRECTOR

BARNEY PUSTEJOVSKY – DIRECTOR
CRAIG DODSON – DIRECTOR
PAUL TISCHLER – DIRECTOR


PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

newspaper notice and posting notice as required by law. The District also made numerous additional public relations efforts in 2009 and 2010 to get the word out to water well owners in the four counties about the creation of the District and the adoption of the rules.

The District also sends out reminder statements each year to all registered well owners subject to the water use fee payment and reporting requirements about the rate approved by the board and relevant deadlines for submission of fee payments and production reports. The District also sends out notices of violation to registered well owners who fail to timely make fee payments or to timely submit production reports.

I hope this information has been helpful to you in answering your questions. Please let us know if you have further questions.

Sincerely,



Jim Conkwright
General Manager
Prairielands Groundwater Conservation District



**PRAIRIELANDS GROUNDWATER
CONSERVATION DISTRICT**

ELLIS HUNT JOHNSON SOMERVILLE

P.O. Box 3128 | Cleburne, TX 76033 | Ph: (817) 556-2299 | Fax: (817) 556-2305

Non-Exempt Well Owner/Operator

NOTE: To qualify for the 10% Discount Incentive, customer **MUST** report readings online monthly

MONTHLY FEE PAYMENT INSTRUCTIONS

Prairielands pricing is \$0.20 per 1,000 gallons used.

Payment Calculation:

For the monthly reporting period, take metered usage, divide by 1,000; then multiply by .20.

(Example: If usage is 10 million gallons, calculate as $10,000,000 \div 1,000 = 10,000 \times .20 = \$2,000$)

For water systems that meet requirements of the District Rule 2.3, a **3%** water reduction can be claimed.

Please send the attached form along with your payment to:

**Prairielands Groundwater Conservation District
P.O. Box 3128
Cleburne, Texas 76033**

Or bring the form and payment to the District Office located at:

**205 South Caddo Street
Cleburne, Texas 76031**

Should you have any questions, please contact the District Office at (817) 556-2299.

NOTICE OF PASS THROUGH RATE PROVISION INCREASE

Crest Water Company Company Name	12037 CCN Number
-------------------------------------	---------------------

Hereby notifies you that it is implementing a pass-through rate provision as part of its water utility tariff on file with the Texas Public Utility Commission (PUC). There will be an increase in the gallonage rate by **\$0.23 per 1000 gallons** for your subdivision. This tariff revision is to recognize changes in water use pumping fees charged by the Prairielands Groundwater Conservation District in Ellis, Hill, Johnson and Somervell counties. This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.21. The cost to you as a result of this change will not exceed the costs charged to your utility.

Buffalo Hills PWS #0700070	Chisholm Trail Retreat PWS #1090042	Cahill Country PWS #1260073	Fisherman's Paradise PWS #1260056
Granda Vista PWS #1260120	Mansfield South PWS #1260066	Northcrest Addition PWS #1260034	Oak Leaf Trail PWS #1260104
Sunset Canyon	Oak River Ranch PWS #2130031	Rolling Oaks Subdivision PWS #1260064	Sunshine Country Acres PWS #1260069
Thomas Acres PWS #1260068	Westover Hills PWS #1260128	Woodland Oaks Estates PWS #1260070	Oakridge Mobile Home Subdivision PWS #1260124

Subdivisions or Systems Affected by Pass-through Provision

840 Old Betsy Road Company Address	Keene City	TX State	76049 Zip	(817) 645-5493 Telephone
---------------------------------------	---------------	-------------	--------------	-----------------------------

Date Customer Notice Mailed	5 th , 20 th and 30 th of each month Date Meters Typically Read
-----------------------------	---

EFFECTIVE DATE OF THIS INCREASE:

Calculation of Gallonage Rate Adjustment:

Adjusted Gallonage Rate (AG) = $G + [B / (1 - L)]$, Where:

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

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

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

$$AG = G + [(\$0.20 / (1 - 0.12))]$$

$$AG = G + [\$0.20 / 0.88]$$

$$AG = G + [\$0.23]$$

Tiered Rate Gallonage Charge Adjustment:

G	+	\$0.23	=	AG	
\$4.60	+	\$0.23	=	\$4.83	per 1,000 gallons for 0 - 10,000 gallons
\$4.85	+	\$0.23	=	\$5.08	per 1,000 gallons for 10,001 - 20,000 gallons
\$5.10	+	\$0.23	=	\$5.33	per 1,000 gallons for 20,001 - 30,000 gallons
\$5.35	+	\$0.23	=	\$5.58	per 1,000 gallons for 30,001 - 40,000 gallons
\$5.60	+	\$0.23	=	\$5.83	per 1,000 gallons for 40,001 - 50,000 gallons
\$5.85	+	\$0.23	=	\$6.08	per 1,000 gallons for 50,001 - 60,000 gallons
\$6.10	+	\$0.23	=	\$6.33	per 1,000 gallons for 60,001 - 70,000 gallons
\$6.35	+	\$0.23	=	\$6.58	per 1,000 gallons for 70,000+ gallons

Line Loss Calculation:

$$\begin{aligned}
 \text{Line loss} &= (\text{Gallons pumped} - \text{Gallons billed}) / \text{Gallons pumped} \\
 &= (78,653,800 - 69,214,000) / (78,653,800) \\
 &= (9,439,800) / (78,653,800) \\
 &= (0.120) \text{ or } 12\%
 \end{aligned}$$

The proposed rates will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

Mr. DeWinne,

Attached are 2 pages of the report showing water usage for Crest Water. Following, are the dates and amount paid:

- July 1, 2015 through December 31, 2015 = 47,700,309 (amount paid \$9,540.06)
- January 1, 2016 through June 30, 2016 = 35,158,100 (amount paid \$7,031.62)

We do not invoice our customers. They are responsible for their own reporting based on their meter readings and paying on time. However, emails are sent as reminders as the payment date is approaching. If a customer has not paid on time, additional emails are sent to inform them of past due, or certified mail is sent, if necessary.

Please let me know if you have any further questions.

Sincerely,

Rosetta Douthitt - Office Administrator

Prairielands Groundwater Conservation District

P.O. Box 3128 | 205 S. Caddo Street

Cleburne, Texas 76033 | www.prairielandsgcd.org

Office: 817-556-2299 | **Fax:** (817) 556-2305



PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

[Home](#) [Register Existing](#) [EXEMPT Well](#) [Well Registration](#) [My Wells](#) [Dashboard](#) [Map](#) [Contact Us](#) [Logout](#)

Water Usage Report

View Edit

[Back](#)

Crest Water Show details

Reporting Period: **2015-07-01 to 2015-12-31**

Due Date: **2016-03-01**

Usage Summary

Month	Total Usage
7 - 2015	8523800
8 - 2015	9662300
9 - 2015	10216700
10 - 2015	7309100
11 - 2015	5252209
12 - 2015	6736200
Total Final Usage	47700309

Tags: Power users



Prairielands Groundwater Conservation District

205 S. Caddo Street | Cleburne, Texas 76033

Office: 817-556-2299 | Fax: (817) 556-2305

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PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

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Water Usage Report

View Edit

[Back](#)

Show details

Reporting Period: **2016-01-01 to 2016-06-30**

Due Date: **2016-09-01**

Usage Summary

Month	Total Usage
1 - 2016	5210800
2 - 2016	5192500
3 - 2016	6342400
4 - 2016	5226800
5 - 2016	7014400
6 - 2016	6171200
Total Final Usage	35158100

Tags: Power users



Prairielands Groundwater Conservation District

205 S. Caddo Street | Cleburne, Texas 76033

Office: 817-556-2299 | Fax: (817) 556-2305

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Crest Water Company
System Totals Summary
Includes all systems/subdivisions
July 2015 - June 2016

	Total Water Pumped (Gallons)	Total Water Sold (Gallons)	Water Loss (Gallons)	Water Loss (%)
July-15	8,263,000	7,435,000	828,000	10.02%
August-15	9,974,900	8,888,400	1,086,500	10.89%
September-15	10,719,400	9,799,300	920,100	8.58%
October-15	7,228,000	6,297,900	930,100	12.87%
November-15	6,516,500	5,623,800	892,700	13.70%
December-15	6,196,600	5,409,400	787,200	12.70%
January-16	5,408,100	4,722,300	685,800	12.68%
<i>February-16</i>	<i>1,097,200</i>	<i>1,103,300</i>	<i>-6,100</i>	<i>-0.56% *</i>
March-16	5,772,700	4,800,700	972,000	16.84%
April-16	6,101,700	5,288,800	812,900	13.32%
May-16	5,426,700	4,645,000	781,700	14.40%
June-16	7,046,200	6,303,400	742,800	10.54%
TOTAL	78,653,800	69,214,000	9,439,800	12.00%

*Well meter failure February, 2016. This month has been excluded from water loss calculation.



**WATER UTILITY TARIFF
Docket Number 43243**

James A. Dyché dba Crest Water Company
(Utility Name)

PO Box 460, 840 Betsy Road
(Business Address)

Keene, Texas 76049
(City, State, Zip Code)

(817) 645-5493
(Area Code/Telephone)

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

12037

This tariff is effective in the following counties:

Ellis, Hill, Johnson, Somervell

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

None

This tariff is effective in the following subdivisions or systems:

See Attached List

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	3
SECTION 2.0 -- SERVICE RULES AND POLICIES	Error! Bookmark not defined.
SECTION 3.0 -- EXTENSION POLICY	5
APPENDIX A -- DROUGHT CONTINGENCY PLAN	

List of Subdivisions/Systems

SUBDIVISION	PWS ID NUMBER	COUNTY
Buffalo Hills Water System	0700070	Ellis
Chisholm Trail Retreat	1090042	Hill
Cahill Country Water System	1260073	Johnson
Fisherman's Paradise	1260056	Johnson
Granda Vista	1260120	Johnson
Mansfield South	1260066	Johnson
Northcrest Addition	1260034	Johnson
Oak Leaf Trail	1260104	Johnson
Oakridge Mobile Home Subdivision	1260124	Johnson
Oak River Ranch	2130031	Somervell
Rolling Oaks Subdivision	1260064	Johnson
Sunset Canyon	NA	Johnson
Sunshine Country Acres	1260069	Johnson
Thomas Acres	1260068	Johnson
Westover Hills	1260128	Johnson
Woodland Oaks Estates	1260070	Johnson

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$39.00</u>	\$4.60 per 1,000 gallons for 0 – 10,000 gallons
1"	<u>\$97.50</u>	\$4.85 per 1,000 gallons for 10,001 – 20,000 gallons
2"	<u>\$195.00</u>	\$5.10 per 1,000 gallons for 20,001 – 30,000 gallons
3"	<u>\$312.00</u>	\$5.35 per 1,000 gallons for 30,001 – 40,000 gallons
		\$5.60 per 1,000 gallons for 40,001 – 50,000 gallons
		\$5.85 per 1,000 gallons for 50,001 – 60,000 gallons
		\$6.10 per 1,000 gallons for 60,001 – 70,000 gallons
		\$6.35 per 1,000 gallons for 70,001 + gallons

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

Cash , Check , Money Order , MasterCard , Visa , Electronic Fund Transfer

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. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

Section 1.02 – Miscellaneous Fees

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

TAP FEE \$550.00
 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

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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 -- Miscellaneous Fees (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..... \$40.00

TRANSFER FEE \$40.00

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 \$35.00

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 TCEQ 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.