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APPLICATION OF SUBURBAN
UTILITY COMPANY, INC. FOR
AUTHORITY TO CHANGE RATES

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PUBLIC UTILITY COMMISSION
PUBLIC UTILITY CLERK
COMMISSION OF TEXAS

**BEAUMONT PLACE AND RESERVOIR ACRES
RATEPAYER'S LIST OF ISSUES**

In response to the ORDER OF REFERRAL dated 1 February 2017 requesting a list of issues to be addressed in the above cited docket, the ratepayers of Beaumont Place and Reservoir Acres subdivisions in Harris County, Texas currently served by Suburban Utility, Inc. wish to submit the following list of issues as interested parties.

LIST OF ISSUES

1. Does Suburban Utility's plans for replacing and upgrading current infrastructure include plans to provide additional chemical treatment, sediment filtration, iron removal or other separation treatment? Rationale: A majority of the protests filed by ratepayers voiced displeasure about the discoloration of the water, which ranges from bright yellow to dark brown most likely caused by iron and manganese content. While some ratepayers voice health concerns and the discoloration of the water is esthetically displeasing, it is a major inconvenience to all ratepayers in carrying out their daily activities such as general hygiene, bathing, laundry and other household cleaning. In particular, white or light colored clothing must be washed with great care, or at other locals or in some cases eliminated from their purchases. Though ingesting low levels of iron or manganese has not proven to be harmful, the thought of drinking dark brown or yellow water is unthinkable for most. Consequently, a great

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many ratepayers have the additional expenditure of purchasing bottled water for drinking or cooking for their families, which increases their household expense. When economically feasible, some ratepayers have installed water filtration systems at a huge out of pocket cost of several thousands of dollars in an effort to rectify this situation.

2. Did Suburban include provisions for infrastructure capital improvements in its previous business plan? Rationale: Suburban Utility has included as part of the rate increase a surcharge of \$20.00 per month per water utility connection for a period of five years resulting in a total of \$1,204,800.00 in revenue. It appears that the entire cost of the proposed capital improvements are to be borne by the ratepayers. In Attachment D of the rate increase request, an email from Spirit of Texas Bank in the Woodlands states a loan request for \$995,000 at 9.38% will be approved only if the surcharge is passed. Payment of the surcharge alone by ratepayers will cover the full loan amount and earn Suburban additional revenue of approximately \$116,469.00.

3. Has Suburban Utility made any provisions for providing assistance on a sliding scale or discounts for low-income or fixed income ratepayers? Rationale: Imposition of a \$20.00 monthly surcharge is an additional financial burden for low-income or fixed income residents of Beaumont Place and Reservoir Acres. This additional financial burden has the potential to cause a downward spiral for many with an increase in late payments, late fees, possible water service disconnections and reconnection fees due to the inability to afford the rate increases. Though the

above fees would increase Suburban's revenue stream, the ratepayers have no other option for water service in these communities.

4. Has Suburban Utility set billing cycles to insure ratepayers run a higher probability of incurring late fees? Rationale: Bills from Suburban appear to be due on the first Monday of the month, which is generally the first week of the month. Ratepayers who rely on government issued checks receive them on the third of the month. These ratepayers are at a disadvantage as it is nearly impossible to mail their payments in before incurring a late fee. Nor is it practical to drive to Suburban's office located in another town. An adjustment to the billing cycle by changing the due date to the second Monday of the month would reduce the number of late payments and late fees paid those individuals.

5. As part of the revenue increase requested, does Suburban Utility have any plans to improve the customer service by Suburban? Rationale: Telephone calls for service, repairs to broken water mains, billing concerns or other questions are not addressed in a timely manner and in some cases not addressed at all. Ratepayers are often promised a return call only to result in several more calls to Suburban. If a repair is needed, the wait for a service technician may be days instead of hours. Quality of the repairs is often questionable as well.

6. Does Suburban have a schedule for the frequency water meters are read within a calendar year? Rationale: Meter readers are not seen for several months at a time. Most recently, there was a four to six month hiatus in some areas of Beaumont Place. Estimated readings seem to be the norm rather than the exception.

7. Are Suburban's meter readers accuracy overseen? Rationale: Ratepayers have on occasion inquired as to how a meter reader was able to complete his reading when finding their meter covered with leaves, water and/or mud making it impossible take an accurate reading.

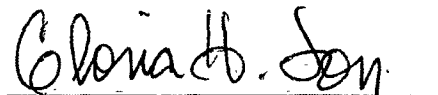
8. Does Suburban have a plan in place to improve notification to ratepayers of problems with the water and/or service? Rationale: Currently, when the water pressure drops due to a power outage or repair work, a written notice for the need to boil water is posted at the exits to the subdivision. The boil water notice does not have a begin date or end date. Therefore, the ratepayers have no indication if the boil notice is an old or new posting. Additionally ratepayers who do not leave the subdivision on a daily basis will not be aware of the posted signs. As both Beaumont Place and Reservoir Acres each have two water plants, posted signs should indicate which areas are under the boil water notice. A better notification system is needed. Possibly automated phone messages to the ratepayers or mailed notices.

Conclusion

Beaumont Place and Reservoir Acres ratepayers request that this list of issues be considered by the commission in this proceeding.

Date: February 13, 2017

Respectfully submitted,



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