



Control Number: 46838



Item Number: 8

Addendum StartPage: 0

**Kenneth W. Anderson, Jr.**  
Commissioner

**Brandy Marty Marquez**  
Commissioner

**Brian H. Lloyd**  
Executive Director



**Greg Abbott**  
Governor

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## ***Public Utility Commission of Texas***

**TO: Jeff Eastman**  
**Quadvest Water and Sewer Utility**  
**P.O. Box 409**  
**Tomball, Texas 77377**

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

**RE: Tariff Control No. 46838 – *Application of Quadvest Water and Sewer Utility for a Pass-Through Rate Change***

### **NOTICE OF APPROVAL**

This Notice addresses Quadvest Water and Sewer Utility's annual true-up report for its current combined regional pass-through rate and request that its tariff be amended to replace the combined pass-through provision with individual pass-through provisions for the several districts that are affected: Bluebonnet Groundwater Conservation District (GCD), Brazoria County GCD, City of Rosenberg, Harris-Galveston Subsidence District, West Harris County Regional Water Authority (WA), North Fort Bend WA, North Harris County Regional WA, and the San Jacinto River Authority. Quadvest filed supplemental information on March 30, 2017 and May 25, 2017.

On May 26, 2017, Commission Staff recommended that the application, as amended, is sufficient and should be approved, as specified in the pleading and attached memorandum of Andrew Novak of the Commission's Water Utility Regulation Division. Commission Staff stated that Quadvest's revenues and expenses were properly trued up and all over-collections have been credited back to customers.<sup>1</sup> Commission Staff stated that Quadvest cannot request another combined pass-through rate until three years after the replacement is approved, unless good cause is shown.<sup>2</sup> Commission Staff recommended approval of Quadvest's request for a

<sup>1</sup> 16 Tex. Admin. Code § 24.21(b)(2)(B)(vi).

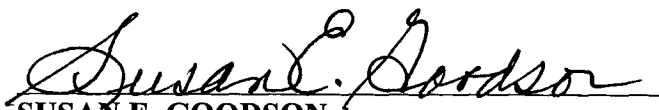
<sup>2</sup> *Id.*

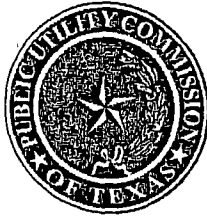
tariff amendment replacing the combined pass-through rate into individual pass-through rates, per district. Commission Staff calculated the new individual pass-through rates based on the previously approved rate, with certain changes. Commission Staff provided revised tariff pages for Quadvest.

Consistent with Commission Staff's recommendation, Quadvest's application, as amended, is sufficient and it is approved. Quadvest's tariff is amended; the combined pass-through provision is replaced with individual pass-through provisions, as follows. A pass-through rate of \$0.07 per 1,000 gallons for Bluebonnet GCD is approved. A pass-through rate of \$0.04 per 1,000 gallons for Brazoria County GCD is approved. A pass-through rate of \$2.23 per 1,000 gallons for the City of Rosenberg is approved. A pass-through rate of \$0.02 per 1,000 gallons for the Harris-Galveston Subsidence District is approved. A pass-through rate of \$2.54 per 1,000 gallons for the West Harris County Regional WA is approved. A pass-through rate of \$3.52 per 1,000 gallons for the North Fort Bend WA is approved. A pass-through rate of \$3.45 per 1,000 gallons for the North Harris County Regional WA is approved. A pass-through rate of \$2.91 per 1,000 gallons for the San Jacinto River Authority is approved. A pass-through rate of \$3.66 per 1,000 gallons is approved for Shaw Acres. Quadvest may file individual applications for each district for further pass-through implementations in accordance with each district's tariff. Quadvest may not request another combined pass-through provision until three years have passed since the date of this Notice, unless good cause is shown. The approved revised tariff pages for Quadvest are attached to this Notice.

Signed at Austin, Texas the 13<sup>th</sup> day of June 2017.

PUBLIC UTILITY COMMISSION OF TEXAS

  
SUSAN E. GOODSON  
ADMINISTRATIVE LAW JUDGE



## **WATER UTILITY TARIFF**

**Tariff Control Number: 46838**

Quadvest, L.P.  
(Utility Name)

26926 FM 2978  
(Business Address)

Magnolia, Texas 77354  
(City, State, Zip Code)

281/356-5347  
(Area Code/Telephone)

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

11612

This tariff is effective in the following counties:

Aransas, Brazoria, Fort Bend, Harris, Jackson, Liberty, Matagorda, Montgomery and Waller

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

Richmond (portion of Bridlewood Estates only - same rates)

This tariff is effective in the following subdivisions or systems:

See attached chart.

### **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 A - DROUGHT CONTINGENCY PLAN	
APPENDIX B - SAMPLE SERVICE AGREEMENT	
APPENDIX C - APPLICATION FOR SERVICE	

SUBDIVISION	PWS ID NUMBER	COUNTY
Bauer Landing	1013526	Harris
Bayer Utility (Old Town Spring)	1010212	Harris
Bella vista	1460175	Liberty
Benders Landing I, II	1700678	Montgomery
Benders Landing Estates	1700678	Montgomery
Bridlewood Estates	0790350	Fort Bend
Brazos Lakes	0790363	Fort Bend
Cane Island	2370111	Waller
Cape Shores	1200044	Jackson
Canterbury Ranch	1700624	Montgomery
Campwood	1700624	Montgomery
Clear Creek Forest	1700576	Montgomery
Chenango Ranch	0200656	Brazoria
The Colony	1011806	Harris
Creeside Village	1700742	Montgomery
Decker Oaks Subdivision	1700605	Montgomery
Estates of Clear Creek	1700576	Montgomery
Grande San Jacinto	1460179	Liberty
Indigo Lakes Estates	1700576	Montgomery
Jacobs Reserve	1700609	Montgomery
Lakes of Fairhaven	1013288	Harris
Lake Pointe Estates	0790350	Fort Bend
Lake Windcrest	1700624	Montgomery
Live Oak Landing	1610129	Matagorda
Lone Star Ranch	1700655	Montgomery
Magnolia Lakes	1700736	Montgomery
McCall Sound	1700763	Montgomery
Montgomery Trace	1700577	Montgomery
Mostyn Manor (Sections 1-10)	1700669	Montgomery
Northcrest Ranch Section I, II, III	1700623	Montgomery
Oaks of Suncreek	0200640	Brazoria
Red Oak Ranch	1700609	Montgomery
Rocky Creek	1013393	Harris
Sawmill Estates	1700576	Montgomery
Sendera Ranch	1700577	Montgomery
Shaw Acres	1013468	Harris
Sierra Woods	1700624	Montgomery

Tariff Control No. 46838

<b>SUBDIVISION</b>	<b>PWS ID NUMBER</b>	<b>COUNTY</b>
Sonoma Ridge	1700763	Montgomery
Stonecrest Ranch	1700611	Montgomery
Summerset Estates	1700655	Montgomery
Suncreek Estates	0200640	Brazoria
Suncreek Ranch	0200616	Brazoria
Sunrise Bay	1200037	Jackson
Sunset Bay	0040055	Aransas
Telge Terrace	1011805	Harris
Timberdale	1011810	Harris
Vaquero River Estates	1610129	Matagorda
Village of Decker Oaks	1700605	Montgomery
Waterstone Estates	1013389	Harris
Waypoint Landing	1610137	Matagorda
Westwood	2370042	Waller
Windcrest Farms	1700577	Montgomery
Yesterdays Crossing	1700758	Montgomery

The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility.

## 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"	\$28.75 (Includes 0 gallons)	\$1.75 per 1000 gallons for the first 10,000 gallons
1"	\$71.88	\$2.00 per 1,000 gallons from 10,001 to 20,000 gallons
1½"	\$143.75	\$2.25 per 1,000 gallons from 20,001 to 30,000 gallons
2"	\$230.00	\$2.93 per 1,000 gallons thereafter
3"	\$431.25	
4"	\$718.75	
6"	\$1,437.50	

An additional pass through gallage charge per 1,000 gallons of water will be added for fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the utility. Bluebonnet GRP (BGCD), Brazoria GRP (BCGCD), City of Rosenberg GRP (CR), North Fort Bend GRP (NFBWA), West Harris County Regional Water Authority (WHCRWA), Harris-Galveston Subsidence District (HGSD), North Harris County Regional Water Authority (NHCRWA) San Jacinto River Authority GRP (SJRA) and Shaw Acres. Each pass through gallage charge is represented in the table below. **SEE PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE.**

	BGCD	BCGCD	CR	HCSD	WHCRWA	NFBWA	NHCRWA	SJRA	Shaw Acres
Rate per thousand gallons	\$0.07	\$0.04	\$2.23	\$0.02	\$2.54	\$3.52	\$3.45	\$2.91	\$ 3.66

**Tariff Control No. 46838:**

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Bank Draft  
 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 Fees

**TAP FEE** .....\$810.00  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" x 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

**TAP FEE** .....\$910.00  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD 3/4" and 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

**TAP FEE (Large meter)** .....1 Cost  
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALL D.

**Tariff Control No. 46838**

SECTION 1.0 – RATE SCHEDULE (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 .....\$50.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

TRANSFER FEE .....\$45.00

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.....\$25.00

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

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.

METER RELOCATION FEE.....Actual Cost to Relocate the existing Meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING METER.

METER CONVERSION FEE.....Actual Cost to Convert the existing Meter

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS CHANGE OF SIZE OF AN EXISTING METER OR CHANGE IS REQUIRED BY MATERIAL CHANGE IN CUSTOMERS SERVICE DEMAND.

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)

**TEMPORARY WATER RATE:**

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or government body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0 - r)}$$

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction)

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC 24.21(l).

**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:

$$RVP = (E + (AP - AC)) / (JC \times AU), \text{ Where:}$$

RVP = Adjusted gallonage charge, rounded to the nearest cent

E = Estimated sum of upcoming 12 months of purchase water and groundwater conservation district costs

AP = Actual payments up to 12 months (February through January of previous year)

AC = Actual collections up to 12 months (February through January of previous year)

JC = January month end customer connections

AU = Average annual usage per connection from most recent rate case

The adjusted gallonage charge must be true up and adjusted every twelve months.

To implement, all notice requirements must be met.

With the annual true up report adjusting the pass through for the next 12 months, the utility shall provide a five year report showing the annual and accumulated difference between pass through amounts collected from customers and amounts actually paid to the entities whose charges are included in the pass through and the formula for the estimates included in the pass through charge, the definition of all variables used in the estimate, the basis for any projections and any standard operating procedures of the utility for estimating.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8"	\$17.85 (Includes 0 gallons)	\$1.50 per 1000 gallons, Residential
3/4"	\$26.80	\$2.00 per 1000 gallons, Non-Residential
1"	\$44.65	
1½"	\$89.25	
2"	\$142.80	
3"	\$267.75	
4"	\$535.50	

PLUS:

Pass Through Fees:

North Harris County Regional Water Authority (NHCRWA) for  
Lakes of Fairhaven ..... \$2.47 per 1,000 gallons  
(Tariff Control No. 46074)

North Fort Bend Water Authority (NFBWA) for  
Lake Point Estates ..... \$2.81 per 1,000 gallons  
(Tariff Control No. 46073)

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 FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$500.00  
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.

SECTION 1.0 – RATE SCHEDULE (Continued)

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.

METER TEST FEE ..... \$25.00  
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.

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 291.21(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)

**PASS THROUGH PROVISION:**

For utilities subject to changes in cost imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

$AG = G + B / (1 - L)$ , 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 from preceding 12 months, not to exceed 0.15 (15%)