



Control Number: 46842



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DOCKET NO. 46842

RECEIVED

APPLICATION OF THE COMMONS §
WATER SUPPLY, INC. TO §
IMPLEMENT A PASS-THROUGH §
RATE CHANGE §

PUBLIC UTILITY COMMISSION

2017 MAR 21 AM 9:50

PUBLIC UTILITY COMMISSION
OF TEXAS FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY AND FINAL
DISPOSITION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Recommendation on Sufficiency and Final Disposition, and would show the following:

I. Background

On February 8, 2017, The Commons Water Supply, Inc. (The Commons), holder of Certificate of Convenience and Necessity (CCN) No. 12781, filed an application to implement a pass-through rate increase due to an increase in water use fees imposed on the utility by the City of Houston. The rate increase will affect The Commons of Lake Houston subdivision, public water system #1012978. The requested effective date for the pass-through rate change is April 1, 2017.

On March 6, 2017, the Administrative Law Judge (ALJ) issued the Notice Finding Application Deficient, directing The Commons to file proof that corrected notice had been provided to the utility's customers. The ALJ also instructed Staff to provide a supplemental recommendation by March 31, 2017. Therefore, this pleading is timely filed.

II. Recommendation on Sufficiency and Notice

Staff has reviewed The Commons's application, and in accordance with Tex. Water Code, Chapter 13, and 16 Tex. Admin. Code §24.21 (TAC), and as supported by the attached memorandum of Jonathan Ramirez of the Commission's Water Utility Regulation Division, Staff recommends that the application and notice be deemed administratively complete and sufficient. On March 30, 2017, The Commons filed a copy of their corrected notice that was provided to their customers as required by 16 TAC §24.21(b).

III. Recommendation on Final Disposition

Staff recommends that The Commons's application is administratively complete and complies with the requirements of 16 TAC § 24.21. Therefore, as supported by Jonathan Ramirez's attached memorandum, Staff recommends approval of The Commons's application to increase the purchased water pass-through rate from \$.071 to \$.89 per 1,000 gallons of water usage. Staff recommends that an approved tariff incorporating the pass-through adjustment, of which a proposed copy is attached, be provided to The Commons.

IV. Conclusion

Staff respectfully requests that the ALJ issue an order consistent with the above recommendations.

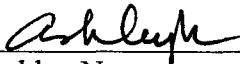
DATED: March 31, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

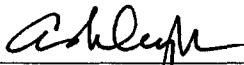


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 31st of March, 2017, in accordance with. 16 TAC § 22.74.



Ashley Nwonuma

PUC Interoffice Memorandum

To: Ashley Nwonuma, Attorney
Legal Division

Thru: Debi Looeckerman, Financial Manager
Water Utilities Division

From: Jonathan Ramirez, Financial Analyst
Water Utilities Division

Date: March 27, 2017

Subject: **Tariff Control No. 46842;** *Application of The Commons Water Supply, Inc. to Implement a Pass-Through Rate Change*

On February 8, 2017, The Commons Water Supply, Inc. (Applicant), Certificate of Convenience and Necessity (CCN) No. 12781, requested approval to implement a pass-through rate increase due to increases in the water use fees imposed on the Applicant by the City of Houston (City). The Commons of Lake Houston, public water system (PWS) No. #1012978 is the subdivision and water system affected by the pass-through rate increase. The requested effective date for the pass-through rate change is April 1, 2017.

The applicant proposed to increase the purchased water pass through rate fee from \$.071 to \$.89 per 1,000 gallons of water usage. Staff confirmed that the City of Houston has increased its rates using the documents provided with the application. The Applicant refiled a copy of the corrected notice that was provided to customers including the correct PWS No. #1012978 on March 30, 2017.

Based upon review of the information submitted, Staff finds that the application is sufficient and recommends that the Commission:

1. Find that the application is sufficient for filing;
2. Approve the pass-through application as filed; and,
3. Provide a copy of an approved tariff to the Applicant (attached).



WATER UTILITY TARIFF
Tariff Control No. 46842

The Commons Water Supply, Inc.
(Utility Name)

235 Interstate 45 North
(Business Address)

Conroe, Texas 77304
(City, State, Zip Code)

(281) 540-1047
(Area Code/Telephone)

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

12781

This tariff is effective in the following county:

Harris

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:

The Commons of Lake Houston
The Commons Water Supply, Inc.: PWS #1012978

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	7
APPENDIX A -- DROUGHT CONTINGENCY PLAN	

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"	\$35.50 (Includes 5,000 gallons)	\$1.90 per 1,000 gallons, 5,001-10,000 gallons
1"	\$35.50	\$3.05 per 1,000 gallons, 10,001-15,000 gallons
1 1/2"	\$35.50	\$3.95 per 1,000 gallons, 15,001 gallons or more
2"	\$35.50	

The City of Houston Groundwater Reduction Plan (GRP) fee.....\$.89 per each 1,000 gallons
(***Tariff Control No. 46842***)

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

Cash X, Check X, Money Order X, Credit Card X

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.

Section 1.02 - Miscellaneous Fees

TAP FEE \$1,100.00
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.

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.

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\$15.00

TRANSFER FEE\$15.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY THE PUC 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.

SECTION 1.0 -- RATE SCHEDULE (Continued)

Pass Through Provision:

For Utilities subject to changes in costs 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 nearest one cent

G = approved gallonage charge, per 1,000 gallons

B = changed in fee (per 1,000 gallons)

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