



Control Number: 46850



Item Number: 6

Addendum StartPage: 0

RECEIVED

TARIFF FILING OF COMMUNITY §  
COMPANY FOR PURCHASED §  
WATER ADJUSTMENT, PURSUANT §  
TO PUC SUBST. R. §24.21(h)(4)<sup>1</sup> §  
§  
§  
§

PUBLIC UTILITY COMMISSION  
2017 MAR 20 AM 11:02  
OF TEXAS  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S FINAL RECOMMENDATION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this recommendation and would show the following:

**I. Background**

On February 13, 2017, Community Water Company (Community) filed an application to implement a pass-through rate change in its tariff under Water Certificate of Convenience and Necessity (CCN) No. 10534. Community seeks to implement the pass-through provision as a result of a decrease in rates<sup>2</sup> charged by the City of Ennis for purchased wholesale water. The rate decrease will affect customers located inside and outside the City of Garrett. The requested effective date for the pass-through rate change is March 20, 2017.

On February 14, 2017, the Administrative Law Judge (ALJ) issued the Notice Setting Deadline for Staff's Recommendation, requiring Staff to file a recommendation on Community application, including sufficiency of notice, and a propose a procedural schedule by March 6, 2017. On March 7, 2017, Staff filed its amended recommendation, requesting that Community be required to file missing documentation with the Commission and that the ALJ permit Staff to file its final recommendation by March 20, 2017.

**II. Final Recommendation**

The implementation of a purchased water provision qualifies as a minor tariff change.<sup>3</sup> Pursuant to 16 Texas Admin. Code § 24.21(b)(2) (TAC), if a utility wishes to revise billings to

<sup>1</sup> While Community refers to 16 Tex. Admin. Code § 24.21(h)(4) in its application, the rule has since been amended, and the applicable rule is now § 24.21(b)(2)(E).

<sup>2</sup> In its initial recommendation, Staff inadvertently stated that Community's Pass-Through rate would be increasing; however, the attached memorandum of Jonathan Ramirez properly noted a decrease of \$1.83 per 1,000 gallons.

<sup>3</sup> 16 TAC § 24.21(b)(2)(B).

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its customers pursuant to an approved purchased water treatment or water use fee provision to allow for the recovery of additional costs, then prior to the beginning of the billing period in which the revision takes effect, the utility must submit written notice to the Commission, and give proper notice to the affected customers.

Staff has reviewed Community's application and, as supported by the attached memorandum of Jonathan Ramirez of the Water Utilities Division, Staff recommends that the application be found administratively complete and approved. Community filed its monthly breakdown of water pumped for the year. Staff also recommends that a copy of an approved tariff, which has been attached to this Recommendation, be provided to Community.

### **III. Conclusion**

For the reasons stated above, Staff respectfully requests than an order consistent with the above recommendation.

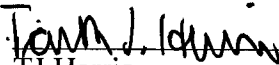
Dated: March 20, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

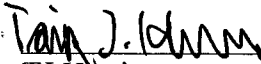
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**TARIFF CONTROL NO. 46850**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on March 20, 2017 in accordance with 16 TAC § 22.74.

  
TJ Harris

## PUC Interoffice Memorandum

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**To:** TJ Harris, Attorney  
Legal Division

**Thru:** Debi Loockerman, Financial Manager  
Water Utilities Division

**From:** Jonathan Ramirez, Financial Analyst  
Water Utilities Division

**Date:** March 17, 2017

**Subject:** **Tariff Control No. 46850; Application of Community Water Company for a Pass-Through Rate Change**

On February 13, 2017, Community Water Company (Community) requested approval to decrease its pass-through fee due to the City of Ennis decreasing their rates for purchased wholesale water. The rate decrease will affect Community's customers that reside inside and outside the City of Garrett. For inside city customers, the rate will decrease by \$1.83 per 1,000 gallons from \$8.19 to \$6.36. For outside city customers, the rate will decrease by \$1.83 per 1,000 gallons from \$8.34 to \$6.51. Community requested a March 20, 2017 effective date for the rate decrease.

Community filed its monthly breakdown of water pumped for the year which was initially absent from their application. After reviewing their report, Community's water loss for the year is 32.47%; however, they are only asking for the Commission's maximum allowable rate of 15%.

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 Community (attached).



**WATER UTILITY TARIFF**  
**Tariff Control Number: 46850**

Community Water Company  
(Utility Name)

1720 South Highway 287  
(Business Address)

Corsicana, Texas 75110  
(City, State, Zip Code)

903/874-8244  
(Area Code/Telephone)

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

10534

This tariff is effective in the following counties:

Ellis, Henderson, Navarro, and Smith

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

Garrett, Purdon and Retreat

*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 TCEQ and will have to be obtained from the city or utility.*

This tariff is effective in the following subdivisions and public water 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 .....	2
SECTION 2.0 - SERVICE RULES AND POLICIES .....	8
SECTION 3.0 - EXTENSION POLICY .....	13
APPENDIX A - DROUGHT CONTINGENCY PLAN	
APPENDIX B - APPLICATION FOR SERVICE	

COMMUNITY WATER COMPANY

PWS Name/Subdivision	PWS ID No.	County
Garrett (partially inside the city)	0700026	Ellis
Montgomery Gardens	2120008	Smith
Retreat (partially inside city)	1750031	Navarro
Purdon	1750018	Navarro
Beaton Lakes Estates	1750035	Navarro
Lakewood	1070052	Henderson
Oaks Acres, Tom's Acres (Lakewood Water East)	1070009	Henderson
Lakewood North, Arrowwood (Lakewood Water West)	1070052	Henderson

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"	<u>\$48.58</u> (Includes 0 gallons)	<u>\$6.51</u> per 1000 gallons
1"	<u>\$121.45</u>	
1½"	<u>\$242.90</u>	
2"	<u>\$388.64</u>	
3"	<u>\$728.70</u>	

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 FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$795.00  
 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 WHICH 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.



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.....\$45.00

**TRANSFER FEE** .....\$35.00

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)** .....\$5.00

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

**PLUMBING INSPECTION FEE** .....\$50.00

**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. [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 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%)