

Control Number: 46922



Item Number: 1

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Oak Hill Estates Water Operations Office
A-1 Utility & Construction Services, Inc.
27351 Blueberry Hill Drive, Suite 36
Conroe, Texas 77385-8969

46922

Phone (281) 367-0935

March 02, 2017

Public Utility Commission
PO Box 13326
Austin, TX 78711-3326

RECEIVED
2017 MAR -8 AM 9:45
PUBLIC UTILITY COMMISSION
FILING CLERK

RE: Increase in pass through rate
Oak Hill Estates Water System - CCN#12861

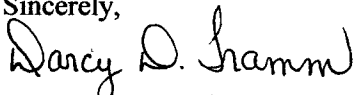
To whom it may concern,

The above referenced water system is part of the North Harris County Regional Water Authority which currently charges the water system a pumping fee of \$2.40 per 1,000 gallons. Our current pass through approval allowed us to charge our customers \$2.74 per 1,000 gallons. The NHCRWA has notified us that the rate will be increasing from \$2.40 to \$2.90 per 1,000 gallons effective April 1, 2017. This letter is to serve as a request to increase the current pass through charge of \$2.74 to \$3.33 effective April 1, 2017.

I have included a copy of the NHCRWA rate increase notification (February 22, 2017) and a copy of the notice of proposed increase in pass through rate that was mailed to all customers receiving water service from the system on March 02, 2017.

Based on 30 TAC 291.21(h) (5) I believe I have included all of the information required in the notice to the commission. In the event additional information, not listed in this section of the Texas Administrative Code, is required please contact me as soon as possible to complete our request.

Sincerely,



Darcy Tramm, Office Manager
District Operations Company

Enclosures: 02/22/2017 letter from NHCRWA explaining rate increase
Copy of notice of proposed increase pass through rate sent to customers 03/02/2017
Rate calculation worksheet
Usage and Loss Report (previous 12 months)
Water Tariff Pages 1, 2 & 2A approved by the P.U.C. effective 04/01/2016



Jimmie Schindewolf, PE.
General Manager

BOARD OF DIRECTORS
Alan J. Rendl, President
Kelly P. Fessler, Vice President
Lenox A. Sigler, Secretary
Ron Graham, Asst. Secretary
James D. Pulliam, Treasurer

46922

February 22, 2017

**Oak Hill Estates Water Company
Owner's Representative
27351 Blueberry Hill Dr., #36
Conroe, TX 77385**

**Re: North Harris County Regional Water Authority
Rate Order and Updated Pricing Policy**

Dear Owner's Representative:

Please consider this letter as a reminder of actions that were taken by the North Harris County Regional Water Authority (the "Authority") Board of Directors (the "Board") at its regular monthly Board meeting held on December 5, 2016. The Authority Board conducted a Budget Workshop on November 28, 2016, and a Public Hearing on December 5, 2016 to review and discuss the possibility of increasing the Authority's well pumpage fee and the cost of surface water. At its regular meeting on December 5th, the Board adopted an increase of the current well pumpage fee from \$2.40 per 1,000 gallons to \$2.90 per 1,000 gallons and an increase in the cost of surface water from \$2.85 per 1,000 gallons to \$3.35 per 1,000 gallons. These new rates will become effective as of April 1, 2017 with the payment due date of June 18, 2017.

Factors that impacted this decision include:

- The Harris-Galveston Subsidence District completed an update of the 1999 Regulatory Plan and adopted a 2013 Regulatory Plan. A major requirement of that plan is that the Authority achieve a 60% use of surface water by 2025 as compared to the current 30% requirement. In order to reach that 60% mandate, the Authority will have to deliver surface water to a significant number of additional utility districts which will require construction of a greatly expanded water transmission and distribution system.
- In addition, the Authority will be required to participate in the cost of the City's expansion of the Northeast Water Purification Plant as well as construction of a second transmission line from the plant and will also have to pay the Authority's prorata share of the cost of constructing the Luce Bayou Interbasin Transfer Project.

Enclosed for your information and reference is a copy of the Updated Pricing Policy. We will soon post a revision of the Authority's brochure, "The Rising Cost of Water", on the Authority website. The brochure will also be available in bulk quantities – at no charge – for


2020

Oak Hill Estates Water Company
February 22, 2017
Page 2

utility districts to distribute to their customers. Please notify Lisa Sagstetter (281) 440-3924 if you would like to place an order for the brochure.

We certainly appreciate your support and cooperation. Please call Cyndi Plunkett, Authority Financial Assistant, at (281) 440-3924 if you have any questions or need any additional information relative to the Authority fees.

Sincerely,



Jimmie Schindewolf, P.E.
General Manager

JAS/lr

Attachment

xc: Authority Board of Directors
Robin S. Bobbitt, Radcliffe Bobbitt Adams Polley PLLC
Jon Polley, Radcliffe Bobbitt Adams Polley PLLC
Tom Rolen, P.E., AECOM Technical Services, Inc.
Cyndi Plunkett, Authority Financial Assistant



**UPDATED PRICING POLICY
OF THE NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
(Effective April 1, 2017)**

This Updated Pricing Policy of the North Harris County Regional Water Authority (this "Updated Pricing Policy") is intended to define the Cost of Water paid to the Authority for Water used within the Authority and is an integral part of the Authority's Rate Order (the "Rate Order"), adopted on October 5, 2009. Unless specifically defined otherwise, capitalized terms in this Updated Pricing Policy shall have the meanings defined in the Rate Order.

Effective April 1, 2017, the following Cost of Water will apply to and be due by users of Water within the Authority:

Authority Water	\$3.35 per 1,000 gallons
Water pumped from a Non-Exempt Well	\$2.90 per 1,000 gallons
Imported Water	\$2.90 per 1,000 gallons

In addition to the above Fees, the Authority shall continue to provide a credit to each Converted Entity that constructed a Chloramine System prior to December 1, 2015 in accordance with the Authority's prior policy and procedures. Such credits shall be calculated as outlined below. Furthermore, any credits for capital contributions paid to the Authority by a Payor shall continue as provided in the applicable written agreement executed between the Payor and the Authority.

The Authority may revise the above Fees and modify, delete or add any credit(s), subject to the provisions of any applicable written agreements, if and when necessary. Payors will be notified of any such changes.

Chloramination Credits

The annual Chloramination Credit shall be calculated by amortizing the cost of the Chloramine System at 6% interest over a 30-year period, which shall begin the year the facilities are placed in service. The annual Chloramination Credit amount will be divided by 12 and the resultant amount will be credited monthly toward the fees payable to the Authority for the Water used by the Converted Entity.

New/Replacement Facilities

In order to help facilitate the effective implementation of the GRP, any Payor who anticipates the construction of new or replacement Water production, storage and/or treatment facilities and/or related appurtenances shall advise the Authority of those plans as early in the process as possible. The Authority will review such proposed improvements for conformity with the goals of the GRP and the possibility of the Authority being able to address those needs (i.e., by providing water in lieu of the Payor having to construct or replace facilities). Within the limits of its jurisdiction, the Authority will regulate construction of such facilities to accomplish the goals of the GRP.

Policy Implementation

The General Manager is authorized to take any actions on behalf of the Authority necessary and convenient to accomplish the purposes of this Updated Pricing Policy. The General Manager is also authorized to take actions necessary to comply with any special credit provisions provided under any agreements that may exist between a Payor and the Authority.

NOTICE TO CUSTOMERS OF PROPOSED INCREASE IN PASS THROUGH RATE

Oak Hill Estates Water, LLC

12861

Company Name

CCN Number

has a pass through rate provision as part of water utility tariff on file with the Texas Public Utility Commission (Commission). This tariff change is being implemented in accordance with the utility's approved water use fee adjustment clause to recognize increases in the water use fee. The cost of these charges to customers will not exceed the increased cost of water use fee. Please read all information carefully.

Oak Hill Estates

Subdivision Affected by Pass Through Provision

77338

Zip Codes Affected by Pass Through Provision

27351 Blueberry Hill Drive, Suite 36

Conroe

Texas

77385-8969

(281) 367-9419

Company Address

City

State

Zip

Phone #

March 02, 2017

April 1, 2017

Date Customer Notice Mailed

Effective Date of the Increase

PASS THROUGH RATE 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 shall be passed through as an adjustment to the base rate and gallonage charge according to the formulas:

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

AG = adjusted gallonage charge, rounded to 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%)

Adjusted Gallonage Rate = Approved Gallonage Charge + [change in fee/(1-water loss)]

Gallon Rate AG = $3.17* + [2.90/1-0.13] = 3.17 + [2.90/0.87] = 3.17 + 3.33 = 6.50$

**Gallonage charge per Water Tariff dated April 1, 2016*

To modify the pass through provision, the utility must comply with all notice and other requirements of 30 TAC 291.21(h).

This notice is to make you aware that the North Harris County Regional Water Authority rate charged to you on your monthly water bill is changing from \$2.76 per 1,000 gallons billed to \$3.33 per 1,000 gallons billed effective with bill due 06/16/2017 (water usage from 04/21/2017 to 05/21/2017).

Please call the billing office if you have any questions regarding this change at (281) 367-0935.

➤ **Note: Please identify the items listed below and any assumptions used to calculate the adjusted gallonage rate and to project revenues and expenses.**

Water Loss (%): (Gals Pumped - Gals Billed) / Gas Pumped X 100 = 13.85 %

Current Rates Charged: Base Rate (includes 0,000 gals): Gallonage Charge (per 1,000 gallons):
 \$ _____ /1,000 gallons
 "5/8 or 3/4" \$ 30.85 Additional gallonage charges: 3.17 \$/1,000 gallons
 1" \$ 77.13
 1.5" \$ 154.25
 Larger \$ _____

EXAMPLE OF A 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:

SHOW YOUR PROPOSED CALCULATIONS:

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

- AG = adjusted gallonage charge, rounded to 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%)

Adjusted Gallonage Rate = Approved Gallonage Charge + [change in fee/(1-water loss)]

Gallon Rate AG = 3.17* + [2.90/1-0.13] = 3.17 + [2.90/0.87] = 3.17 + 3.33 = 6.50

*Gallonage charge per Water Tariff dated April 1, 2016

IF AN ALTERNATE METHOD OF CALCULATION IS USED, PLEASE EXPLAIN AND DEFINE CLEARLY:

USAGE AND LOSS REPORT

Oak Hill Estates Water LLC

Month	Water Pumped	Water Sold	Water Loss Pct	Average Use	Active Meters	Zero Use Meters	Over 50000		30001 - 40000		20001 - 30000		10001 - 20000		8001 - 10000		6001 - 8000		4001 - 6000		2001 - 4000	
							50000	40000	40000	30000	20000	10000	10000	10000	8000	6000	4000	2000				
03-16	671,000	556,000	17.14	4,149	134	19	0	0	0	1	5	6	6	13	31	34	25					
04-16	691,000	552,000	20.12	4,119	134	17	0	0	0	0	6	6	6	18	26	29	32					
05-16	723,000	594,000	17.84	4,433	134	16	0	0	0	1	6	3	3	21	29	33	25					
06-16	721,000	617,000	14.42	4,604	134	17	0	0	0	0	8	8	8	18	27	31	25					
07-16	879,000	786,000	10.58	5,866	134	12	0	0	1	1	17	8	8	19	23	29	23					
08-16	839,000	744,000	11.32	5,552	134	11	0	0	0	2	15	5	5	20	25	32	24					
09-16	745,000	618,000	17.05	4,612	134	12	0	0	0	0	7	8	8	17	32	36	22					
10-16	669,000	607,000	9.27	4,530	134	14	0	0	0	1	10	4	4	10	25	49	21					
11-16	747,000	658,000	11.91	4,910	134	11	0	0	0	0	9	6	6	20	33	34	19					
12-16	595,000	511,000	14.12	3,785	135	13	0	0	0	0	5	2	2	9	28	44	33					
01-17	623,000	547,000	-12.20	4,082	134	14	0	0	0	0	4	7	7	18	25	26	39					
02-17	659,000	586,000	11.08	4,373	134	13	0	0	0	0	8	6	6	14	28	32	32					

12 Month Totals

Total Water Pumped	8,562,000	Average Water Pumped	713,500
Total Water Sold	7,376,000	Average Water Sold	614,667
Total Used for Fire/Flush	0	Average Used for Fire/Flush	0
Total Water Loss	1,186,000	Average Water Loss	98,833
Total Water Loss Percent	13.85%	Average Water Loss Percent	13.85%
		Average Customer Use	4,585

Qualified By: System Totals 03-16 to 02-17
A-1 Utility & Construction

Water loss for previous
12 months - 13% used
for rate calculation



WATER UTILITY TARIFF

Docket Number: 45775

Castle Country Homes, Inc. dba
Oak Hill Estates Water Company
(Utility Name)

27351 Blueberry Hill #36
(Business Address)

Conroe, Texas 77385
(City, State, Zip Code)

(281) 367-9419
(Area Code/Telephone)

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

12861

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:

Oak Hill Estates: PWS # 1013045

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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	8
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	10
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

APR 01 '16 45775

DOCKET

CONTROL # _____

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	\$30.85 (Includes 0 gallons)	\$3.17 per 1000 gallons
1"	\$77.13	
1½"	\$154.25	

North Harris County Regional Water Authority Water Use Fee:.....\$2.74
per 1,000 gallons of water usage
Docket No. 45775

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 SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE\$1,000.00
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 CUSTOMER'S 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 SHALL 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 SHALL 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 SHALL NOT EXCEED \$25.

RETURNED CHECK CHARGE.....\$30.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE \$20.00
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 SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING

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 PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY SHALL INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 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:

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 the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons);
- B = change in purchased water/district gallonage charge (per 1,000 gallons);
- L = system average line loss for preceding 12 months not to exceed 0.15

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED
APR 01 '16 45775
TEKCO
CONTROL # _____