



Control Number: 47005



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TARIFF CONTROL NO. 47005

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**APPLICATION OF SUBURBAN
UTILITY COMPANY, INC. FOR A PASS
THROUGH RATE CHANGE**

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**PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS**

COMMISSION STAFF'S RECOMMENDATION ON FINAL DISPOSITION

COMES NOW the Staff ("Staff") of the Public Utility Commission of Texas ("Commission"), representing the public interest, and files this Recommendation on Final Disposition.

I. BACKGROUND

On March 30, 2017, Suburban Utility Company, Inc. ("Suburban") filed an application to implement a pass-through rate increase for an increase in fees imposed on Suburban by the North Harris County Regional Water Authority ("NHCRWA") for participation in NHCRWA's groundwater reduction program, effective April 1, 2017. Suburban requested that the increase be effective April 1, 2017. On March 31, 2017, Suburban sent notice to its customers advising them of the increase in water use fees. On April 3, 2017, a notice was entered, requiring Staff to file a recommendation on the application and sufficiency of notice and to propose a procedural schedule on or before April 19, 2017.

II. SUFFICIENCY OF THE APPLICATION AND NOTICE

The implementation of a production fee charged by a groundwater conservation district qualifies as a minor tariff change.¹ Consistent with the attached memorandum of Leila Guerrero, Water Utilities Division, Staff recommends the application be deemed complete and the notice be found sufficient pursuant to 16 Tex. Admin. Code (TAC) § 24.21(b)(2)(E) and 16 TAC § 22.55.

¹ 16 Tex. Admin. Code § 24.21(b)(2)(A)(vii) (allowing the Commission to approve minor changes to tariffs, including "implementation or modification of a pass-through provision calculation in a tariff . . .").

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In its application, Suburban provided documentation substantiating NHCRWA's fee of \$2.90 per 1,000 gallons of groundwater pumped. Suburban also provided a copy of the notice that it mailed to affected customers on March 31, 2017.

III. RECOMMENDATION ON FINAL DISPOSITION

Staff recommends that Suburban's application complies with the requirements of 16 TAC § 24.21(b)(2)(A)(vii) and that the application is administratively complete. Therefore, as supported by Ms. Guerrero's attached memorandum, Staff recommends approval of Suburban's application to pass through to its customers NHCRWA's fee of \$2.90 per 1,000 gallons, effective April 1, 2017. Staff therefore proposes no procedural schedule at this time, as none is required based on Staff's recommendation.

IV. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above discussion.

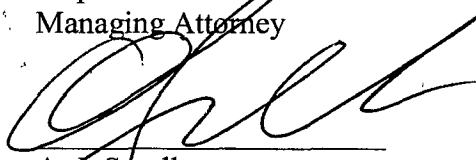
Date: April 19, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

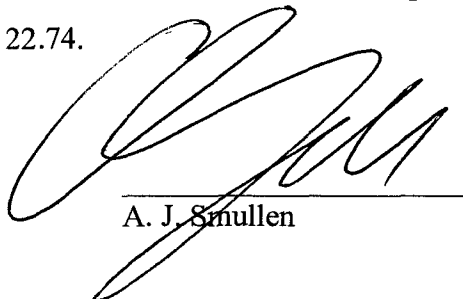


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 19, 2017 in accordance with 16 TAC § 22.74.


A. J. Smullen

Based on Staff's review of the information in the application and the additional information, Staff finds the application and notice comply with the requirements of 16 TAC § 24.21(b)(2)(A)(viii). Therefore, Staff recommends the Commission do the following:

- a) Deem the application sufficient for filing;
- b) Approve the pass-through provision for NHCRWA GRP pumpage fee of \$3.41 per 1,000 gallons, effective April 1, 2017, as requested by the Applicant;
- c) Approve the modified calculation for the pass-through provision; and,
- d) Provide a copy of an approved tariff to the Applicant (attached):



WATER UTILITY TARIFF

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Suburban Utility Company
(Utility Name)

P.O. Box 455
(Business Address)

Spring, Texas 77383
(City, State, Zip Code)

(281) 444-7747
(Area Code/Telephone)

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

10835

This tariff is effective in the following county:

Harris County

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

N/A

This tariff is effective in the following subdivisions and public water systems:

Beaumont Place (PWS ID#1010098); Castlewood Subdivision (PWS ID#1010111); Cypress Bend Subdivision (PWS ID#1010119); Reservoir Acres Subdivision (PWS ID#1010197)

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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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" x 3/4"	\$23.00 (Includes 0 gallons)	\$2.15 per 1000 gallons up to 20,000 gallons
3/4"	\$23.00	\$2.40 per 1000 gallons from 20,001 to 35,000 gallons
1"	\$57.50	\$2.65 per 1000 gallons from 35,001 to 50,000 gallons
1½ "	\$115.00	\$3.00 per 1000 gallons from 50,001 gallons and up
2"	\$184.00	*Plus Pass Through fees below
3"	\$345.00	

*Pass Through For Cypress Bend Subdivision:

\$3.41 per 1000 gallons additional fee will be added as a Pass Through charge by North Harris County Regional Water Authority (NHCRWA) for the customers in Cypress Bend Subdivision only, Effective April 1, 2017. $\{\$2.90 / (1 - 0.15)\} = \{2.90 / \$0.85\} = \$3.41$

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\$0.99 per 1000 gallons (which is \$0.8526 plus line loss of 15 percent) will be added as a Pass Through charge by the City of Houston for customers in Castlewood Subdivision.

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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.....\$600.00
 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.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT.....1/6TH OF ESTIMATED ANNUAL BILL

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SECTION 1.0 -- RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE \$25.00

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) Nonpayment of bill (Maximum \$25.00) \$25.00b) Customer's request that service be disconnected \$50.00TRANSFER 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.

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 Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER CONVERSION FEE Actual Conversion Cost, Not to Exceed Tap Fee

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

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.

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)]

SECTION 1.0 -- RATE SCHEDULE (Continued)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

CHANGES IN FEE IMPOSED BY ANY NON-AFFILIATED THIRD PARTY WATER SUPPLIER OR UNDER GROUND WATER DISTRICT HAVING JURISDICTION OVER THE UTILITY SHALL BE PASSED THROUGH AS AN ADJUSTMENT TO THE WATER GALLONAGE CHARGE ACCORDING TO THE FOLLOWING FORMULA:

AG = $G + \{G/(1-L)\}$, where
AG = adjusted gallonage charge, rounded to the nearest one cent;
G = new gallonage charge (per 1,000 gallons);
L = system average line loss for preceding 12 months, not to exceed 0.15