



Control Number: 47260



Item Number: 1

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PUBLIC UTILITY COMMISSION
FILING CLERK

June 2, 2017

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

Subject: Quadvest LP Pass Through Change Application – Lakes Of Fairhaven

Dear Sir/Madam,

This letter represents the formal request by Quadvest LP (“Quadvest”) to pass through the additional fees being charged by the North Harris County Regional Water Authority. Please find enclosed correspondence from North Harris County Regional Water Authority indicating an increase in their well pumpage fees to \$2.90 per 1000 gallons, effective April 1, 2017. This increase will affect the customers in the Lakes of Fairhaven subdivision, noting the associated pass through fees (“PTF”) will be increasing from \$2.47 to \$3.01 per 1000 gallons. As notice must be provided to customers prior to any change in PTF, Quadvest has provided notice prior to effective date of June 19, 2016.

Thanks for your time and consideration on this matter. If you have any questions and/or comments, please do not hesitate to contact me at 281-305-1127.

Sincerely,



Quadvest LP

Enclosed:
NHCRWA Correspondence Letter
Customer Notice
PTF Calculation Summary



June 9, 2017

Dear Lakes Of Fairhaven Customer,

Quadvest hereby notifies you that it will be increasing your water pass through fee ("PTF") to \$3.01 per 1000 gallons, effective June 19, 2017. This tariff change is being implemented in accordance with the utility's approved water pass through provision adjustment clause to recognize increases in the water usage fees charged by the North Harris County Regional Water Authority. The cost of these charges to customers will not exceed the increased cost of such water usage fees. On your bill due August 21st, the PTF will be \$3.01 per 1,000 gallons, an increase from the current \$2.47 per 1,000 gallons. The Public Utility Commission of Texas will review the PTF calculation and advise of any required revisions, noting the \$3.01 per 1000 gallons will remain in effect until further notice.

New Water Pass Through Fee Calculation (PTF)

<i>G = Approved Gallonage Charge Per 1,000 gallons</i>	<i>2.47</i>
<i>B = Change in fee (per 1,000 gallons) from water authority (\$2.40 to \$2.90)</i>	<i>.50</i>
<i>L = water or sewer line loss from preceding 12 months, not to exceed 15%</i>	<i>6.94%</i>
<i>AG = $G + B / (1-L)$</i>	<i>\$ 3.01</i>

Customer Bill Comparison at 5,000 Gallons:

Present Calculation of Customer Billing:

Example: 5/8 x 3/4" meter using 5,000 gallons

$$\$17.85 + [5000/1000 * \$1.50] + [5000/1000 * \$2.47] = \$37.70$$

New Calculation of Customer Billing:

Example: 5/8 x 3/4" meter using 5,000 gallons

$$\$17.85 + [5000/1000 * \$1.50] + [5000/1000 * \$3.01] = \$40.40$$

If you have any questions about this PTF adjustment, please call Quadvest Customer Service Monday – Friday, 8a – 5p at 281-356-5347 or email us at support@quadvest.com.

Best regards,

Quadvest Customer Service

Lakes Of Fairhaven Pass Thru Calculation

Lakes of Fairhaven	
Total Pumped	186,026,000
Total Billed	173,109,000
Water Loss Gallons	12,917,000
Water Loss %	6.94% L

Pass Through Provision Calculation

G +	B/	(1-L)	= AG
2.47	0.50	93.1%	3.01

Date	Water Pumpage	Water Usage	Water Loss	Water Loss %
M-16	11,592,000	10,528,000	1,064,000	9.2%
J-16	9,695,000	8,505,000	1,190,000	12.3%
J-16	33,681,000	29,572,000	4,109,000	12.2%
A-16	33,599,000	31,919,000	1,680,000	5.0%
S-16	15,090,000	14,088,000	1,002,000	6.6%
O-16	22,811,000	21,974,000	837,000	3.7%
N-16	15,975,000	15,239,000	736,000	4.6%
D-16	6,755,000	6,101,000	654,000	9.7%
J-17	6,707,000	6,044,000	663,000	9.9%
F-17	7,049,000	6,299,000	750,000	10.6%
M-17	8,181,000	8,757,000	(576,000)	-7.0%
A-17	14,891,000	14,083,000	808,000	5.4%
Totals	186,026,000	173,109,000	12,917,000	6.9%

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Chairman

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Commissioner

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Commissioner

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Executive Director



Greg Abbott
Governor

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PUBLIC UTILITY COMMISSION
CLERK

Public Utility Commission of Texas

TO: Quadvest, L.P.
26926 FM 2978
Magnolia, TX 77354

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

RE: Tariff Control No. 46074 – *Application of Quadvest, L.P. for a Pass-Through Rate Change in Lakes of Fairhaven*

NOTICE OF APPROVAL

This Notice addresses the application of Quadvest, L.P. for approval of a pass-through rate increase due to an increase in water pumpage fees by North Harris County Regional Water Authority. The pass-through rate increase affects customers in the Lakes of Fairhaven subdivision. Pursuant to approval by the Commission in Docket No. 44794, Quadvest recently purchased public water system (PWS) number 1013288, which serves the Lakes of Fairhaven subdivision, from Westside Water, LLC. However, until final approval is issued by the Commission in that docket, Westside still holds certificate of convenience and necessity number 12942 and PWS No. 1013288 operates under this certificate. Therefore, the tariff for customers in the Lakes of Fairhaven subdivision is still in Westside's name. Quadvest filed this application with Westside's consent. The requested effective date for the pass-through rate increase was June 20, 2016.

On July 8, 2016, Commission Staff recommended that the application and notice be deemed sufficient and further that the application be approved, as specified in the pleading and attached memorandum of Sean Scaff and Debi Loockerman of the Commission's Water Utility Regulation Division. Commission Staff recommended approval of Quadvest's requested pass-through rate increase, raising the pass-through rate for Lakes of Fairhaven subdivision from \$2.04 to \$2.47 per 1,000 gallons. Commission Staff provided revised tariff pages for Westside.

Current approved pass through Fee



Printed on recycled paper

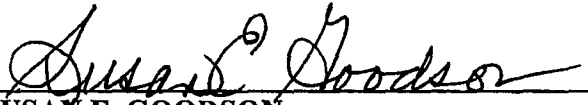
An Equal Opportunity Employer

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Consistent with Commission Staff's recommendation, Quadvest's application is sufficient and it is approved. A pass-through rate of \$2.47 per 1,000 gallons for customers in the Lakes of Fairhaven subdivision is approved, effective June 20, 2016. The revised final tariff sheets for Westside are attached to this Notice.

SIGNED AT AUSTIN, TEXAS on the 19th day of July 2016.

PUBLIC UTILITY COMMISSION OF TEXAS



SUSAN E. GOODSON
ADMINISTRATIVE LAW JUDGE

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Jimmie Schindewolf, P.E.
General Manager

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February 22, 2017

Quadvest
Owner's Representative
P.O. Box 409
Tomball, TX 77377

**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.

Increase \$.50

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.

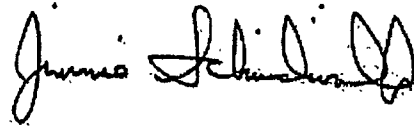
Enclosed for your information and reference is a copy of the Updated Pricing Policy. We will soon post a revision of the Authority's brochure, "The Rising Cost of Water", on the Authority website. The brochure will also be available in bulk quantities – at no charge – for

Quadvest
February 22, 2017
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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,

A handwritten signature in black ink, appearing to read "Jimmie Schindewolf". The signature is fluid and cursive, with the first name "Jimmie" written in a larger, more prominent script than the last name "Schindewolf".

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