



Control Number: 47260



Item Number: 3

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TARIFF CONTROL NO. 47260

**APPLICATION OF QUADVEST LP
FOR A PASS-THROUGH RATE
CHANGE**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

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COMMISSION STAFF'S 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 June 5, 2017, Quadvest LP (Quadvest) filed an application to implement a pass-through rate change in its tariff under Water Certificate of Convenience and Necessity (CCN) No. 11612. Quadvest seeks to implement the pass-through provision as a result of an increase in well pumpage fees charged by the North Harris County Water Authority (NHCWA). The rate increase will affect customers located in the Lakes of Fairhaven subdivision. The requested effective date for the pass-through rate change is June 19, 2017.

On June 7, 2017, the Administrative Law Judge (ALJ) issued the Notice Setting Deadline for Staff's Recommendation, requiring Staff to file a recommendation on Quadvest application, including sufficiency of notice, and a propose a procedural schedule by June 26, 2017. This pleading is therefore timely filed.

II. DEFICIENCY RECOMMENDATION

Staff has reviewed Quadvest's application and, as supported by the attached memorandum of Debi Loockerman of the Water Utilities Division, Staff recommends that the application be found administratively incomplete and deemed insufficient for filing. Staff recommends that the Commission order Quadvest to provide a new notice to customers containing the following language as required by 16 Tex. Admin Code § 24.21(b)(2)(E)(ii): "This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code § 24.21. The cost to you as a result of this change will not exceed the costs charged to your utility."

Excluding the above deficiency, Staff otherwise found that the calculations and information included in the notice are correct, making the language a minor issue that may be corrected in Quadvest's next bill to customers. Staff therefore recommends that the June 19, 2017 effective date remain as noticed, that Quadvest file copies of the new notice by July 26, 2017, and, contingent upon Quadvest's filing of the new notices, that Staff provide a copy of the tariff pages by August 16, 2017.

III. CONCLUSION

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

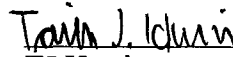
Dated: June 26, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

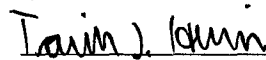
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 26, 2017 in accordance with 16 TAC § 22.74.


TJ Harris

PUC Interoffice Memorandum

To: TJ Harris, Attorney
Legal Division

Through: Tammy Benter, Division Director

From: Debi Loockerman, Manager
Water Utility Regulation Division

Date: June 26, 2017

Subject: **Tariff Control No. 47260;** *Application of Quadvest, L.P. to Implement a Pass-Through Rate Change*

On June 5, 2017, Quadvest, L.P. (Quadvest or Applicant) filed an application to implement a pass-through pumpage fee increase fee (PTF) for fees imposed on the Applicant by North Harris County Regional Water Authority (NHRA) for groundwater gallons pumped which was effective June 19, 2017. The pass-through application increase affects the Lakes of Fairhaven subdivision.

Based on Staff's review of the application, Staff recommends that it be deemed insufficient for filing at this time. Staff recommends that the Commission:

1. Order Quadvest to provide the following:
 - A) a new notice to customers (delivered prior to the effective date) that includes the new effective date and the specific language required by 16 Tex. Admin. Code § 24.21(b)(2)(E)(ii) as follows: "This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code § 24.21. The cost to you as a result of this change will not exceed the costs charged to your utility."

With the exception of the above missing language, Staff found that the calculations and information included on the notice are correct. Furthermore, Staff opines that the additional notice is a minor issue and may be corrected with the Applicant's next bill to customers. Staff reviewed all calculations and documents in the application for accuracy and found no other issues. Therefore, Staff recommends that the effective date remain as noticed and Staff will provide the tariff pages once the copy of the new notice is filed by the Applicant.