

Control Number: 47273



Item Number: 1

Addendum StartPage: 0



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

Main: 281-356-5347
Fax: 281-356-5382
Quadvest.com

47273

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2017 JUN -9 AM 10:31

PUBLIC UTILITY COMMISSION
FILING CLERK

June 9, 2017

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

Subject: Notice of Temporary Rate For Services Provided For A Nonfunctioning Utility

Dear Sir/Madam,

As the Temporary Manager of Suburban Utility ("Suburban"), Quadvest LP ("Quadvest") is providing notice that it intends to begin charging a temporary rate under Texas Water Code 13.046 and 16 Texas Administrative Code 24.147. Quadvest will be providing notice to Suburban customers on or about June 9, 2017, which is prior to the receipt of first bills issued with the new temporary rates. Quadvest would like to request that the temporary rates remain in effect for period allowed by statute or until additional information is gathered by temporary manager supporting an adjustment to such temporary rates.

Quadvest will increase monthly minimum charge for all Suburban customers as follows:

	Current Rates	Increase \$	Increase %	Proposed Rates
Monthly Minimum Charge (Zero Gallons Included):				
5/8" x 3/4"	\$23.00	\$38.01	165.3%	\$61.01
3/4"	\$23.00	\$38.01	165.3%	\$61.01
1"	\$57.50	\$38.01	66.1%	\$95.51
1 1/2"	\$115.00	\$38.01	33.1%	\$153.01
2"	\$184.00	\$38.01	20.7%	\$222.01
3"	\$345.00	\$38.01	11.0%	\$383.01

At this time, Quadvest is not increasing gallonage or other miscellaneous fees included in Suburban's tariff.

The temporary rates will generate approximately \$175,600 (based upon 1,376 customers) in additional revenues annually. The additional revenues will allow the temporary manager to perform the highest priority repairs and maintenance projects needed to provide continuous and adequate service to Suburban's customers.





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The temporary rate increase for this utility is based on the following information:

<u>Concept</u>	<u>Monthly Estimate</u>	<u>4 Month Estimate (Short Term)</u>	<u>Annual Estimate</u>
Water Revenues (Excludes Pass Through Fee & TCEQ Fee)	47,494	189,976	569,928
Contract Operations (Temporary Manager Fee)	(24,115)	(96,460)	(289,380)
Chemicals	(1,915)	(7,659)	(22,977)
Utilities (Electric)	(3,168)	(12,671)	(38,014)
Site Grounds Keeping	(1,000)	(4,000)	(12,000)
Property Taxes	(738)	(2,951)	(8,854)
3rd Party R&M / Other	(55,264)	(221,056)	(663,168)
Total Results Of Operation Before Extraordinary Items	(38,705)	(154,822)	(464,465)
Customer Credits (Assumed liability requiring remittance to customer) *	(2,308)	(9,233)	(27,700)
Pass Through Losses (Water Loss In Excess Of 15%)	(1,729)	(6,916)	(20,749)
Major Repair & Maintenance Projects Needed In Next 4 Months **	(9,563)	(38,250)	(114,750)
Total Extraordinary Items	(13,600)	(54,400)	(163,199)
Total Results of Operations (To Be Recovered From Suburban Customers)	(52,305)	(209,221)	(627,664)
Increase To Monthly Minimum Charge Per 5/8"X 3/4" Customer Per Month	38.01		

* All collections above \$9,233, will be used to perform long term repair and maintenance projects estimated currently at ~\$685,000.

** Excludes longer term repair and maintenance projects (after Sept 2017). All collections above \$76,500, will be used to perform longer term repair and maintenance projects estimated currently at ~\$684,500.

Thanks for your time and consideration on this matter. If you have any questions and/or comments, please contact us at 281-356-5347.

Sincerely,

Quadvest LP





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PUBLIC UTILITY COMMISSION
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Dear Suburban Customer

As previously noticed, the Texas Commission on Environmental Quality (TCEQ) issued an Emergency Order on March 27th, 2017 appointing Quadvest, L.P. (Quadvest) as the Temporary Manager of the water utility systems owned by Suburban Utility Company (Suburban) which consists of the following systems: Beaumont Place, Reservoir Acres, Castlewood, and Cypress Bend. This order required that Quadvest take over all operations of the systems, including billing, reading meters, collecting all monies, and overseeing the daily operations of the systems.

As the Temporary Manager of Suburban, Quadvest has filed a temporary rate order under the Texas Water Code 13.046 and 16 Texas Administrative Code 24.147. Effective, June 9, 2017, Quadvest will increase the monthly minimum charge for all Suburban customers as follows:

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At this time, Quadvest is not increasing the gallonage or other miscellaneous fees included in Suburban's tariff.

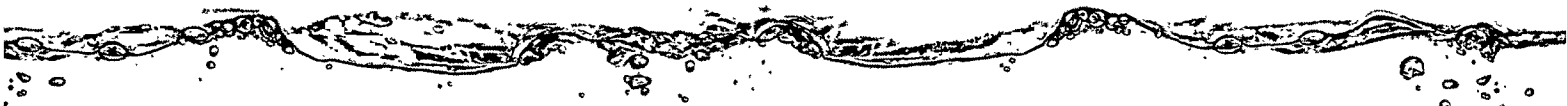
This rate increase will allow Quadvest, as the temporary manager, to perform the highest priority repairs and maintenance projects needed to provide continuous and adequate service to Suburban's customers.

The attached charts will assist you in understanding the changes in your monthly rates.

All of us at Quadvest appreciate the opportunity to serve you and your family. If you have any questions, please give us a call at 281-356-5347 or email us at support@quadvest.com.

Best Regards,

Quadvest Customer Care



Suburban Utility Company
Current Rates vs. Temporary Water Rates Comparison - All Systems *

System	Current Rates	Temporary Rates (Effective June 9, 2017)
Beaumont Place (PWS# 1010098) & Reservoir Acres (PWS# 1010197) 5/8"x 3/4" 3/4" 1" 1 1/2" 2" 3"	Base Charge - Includes -o- Gallons \$23.00 \$23.00 \$57.50 \$115.00 \$184.00 \$345.00 Gallonge Charge per 1,000 Gallons: First 20,000 Gallons \$2.15 From 20,001 to 35,000 Gallons \$2.40 From 35,001 to 50,000 Gallons \$2.65 Over 50,000 Gallons \$3.00 Pass-Through Gallonge Charge: Per 1,000 Gallons \$0.00	Base Charge - Includes -o- Gallons \$61.01 \$61.01 \$95.51 \$153.01 \$222.01 \$383.01 Gallonge Charge per 1,000 Gallons: First 20,000 Gallons \$2.15 From 20,001 to 35,000 Gallons \$2.40 From 35,001 to 50,000 Gallons \$2.65 Over 50,000 Gallons \$3.00 Pass-Through Gallonge Charge: Per 1,000 Gallons \$0.00
Castlewood (PWS # 1010111) 5/8"x 3/4" 3/4" 1" 1 1/2" 2" 3"	Base Charge - Includes -o- Gallons \$23.00 \$23.00 \$57.50 \$115.00 \$184.00 \$345.00 Gallonge Charge per 1,000 Gallons: First 20,000 Gallons \$2.15 From 20,001 to 35,000 Gallons \$2.40 From 35,001 to 50,000 Gallons \$2.65 Over 50,000 Gallons \$3.00 Pass-Through Gallonge Charge: Per 1,000 Gallons \$1.04	Base Charge - Includes -o- Gallons \$61.01 \$95.51 \$153.01 \$222.01 \$383.01 \$0.00 Gallonge Charge per 1,000 Gallons: First 20,000 Gallons \$2.15 From 20,001 to 35,000 Gallons \$2.40 From 35,001 to 50,000 Gallons \$2.65 Over 50,000 Gallons \$3.00 Pass-Through Gallonge Charge: Per 1,000 Gallons \$1.04
Cypress Bend (PWS# 1010119) 5/8"x 3/4" 3/4" 1" 1 1/2" 2" 3"	Base Charge - Includes -o- Gallons \$23.00 \$23.00 \$57.50 \$115.00 \$184.00 \$345.00 Gallonge Charge per 1,000 Gallons: First 20,000 Gallons \$2.15 From 20,001 to 35,000 Gallons \$2.40 From 35,001 to 50,000 Gallons \$2.65 Over 50,000 Gallons \$3.00 Pass-Through Gallonge Charge: Per 1,000 Gallons \$3.41	Base Charge - Includes -o- Gallons \$61.01 \$95.51 \$153.01 \$222.01 \$383.01 \$0.00 Gallonge Charge per 1,000 Gallons: First 20,000 Gallons \$2.15 From 20,001 to 35,000 Gallons \$2.40 From 35,001 to 50,000 Gallons \$2.65 Over 50,000 Gallons \$3.00 Pass-Through Gallonge Charge: Per 1,000 Gallons \$3.41



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**Suburban Utility Company
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Current vs. Temporary Rate Bill Comparison at 10,000 and 30,000 Gallon Usage Levels (Includes Pass-Through Charges) *

	Current Rate				Temporary Rates			
	Beaumont Place (PWS# 1010098) / Reservoir Acres (PWS# 1010197)	Castlewood (PWS # 1010111)	Cypress Bend (PWS# 1010119)	Beaumont Place (PWS# 1010098) / Reservoir Acres (PWS# 1010197)	Castlewood (PWS # 1010111)	Cypress Bend (PWS# 1010119)	Castlewood (PWS # 1010111)	Cypress Bend (PWS# 1010119)
10,000 Usage Level								
5/8" x 3/4"	\$44.50	\$54.90	\$78.60	\$82.51	\$92.91	\$116.61		
3/4"	\$44.50	\$54.90	\$78.60	\$82.51	\$92.91	\$116.61		
1"	\$79.00	\$89.40	\$113.10	\$117.01	\$127.41	\$151.11		
1 1/2"	\$136.50	\$146.90	\$170.60	\$174.51	\$184.91	\$208.61		
2"	\$205.50	\$215.90	\$239.60	\$243.51	\$253.91	\$277.61		
3"	\$366.50	\$376.90	\$400.60	\$404.51	\$414.91	\$438.61		
30,000 Usage Level								
5/8" x 3/4"	\$90.00	\$110.80	\$158.20	\$128.01	\$148.81	\$196.21		
3/4"	\$90.00	\$110.80	\$158.20	\$128.01	\$148.81	\$196.21		
1"	\$124.50	\$145.30	\$192.70	\$162.51	\$183.31	\$230.71		
1 1/2"	\$182.00	\$202.80	\$250.20	\$220.01	\$240.81	\$288.21		
2"	\$251.00	\$271.80	\$319.20	\$289.01	\$309.81	\$357.21		
3"	\$412.00	\$432.80	\$480.20	\$450.01	\$470.81	\$518.21		

* The above bill charges do not include the Regulatory Assessment Fee (1%).



PO Box 409
Tomball, TX 77377

«name»
«addy»
«addy_2»
«city_», «state» «zip»