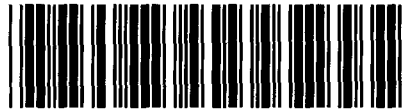


Control Number: 47275



Item Number: 178

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**B & D ENVIRONMENTAL, INC.**  
200 HARBOR CIRCLE  
GEORGETOWN, TEXAS 78633  
PHONE NO: (512) 264-9124  
FAX NO: (512) 692-1967

EMAIL: bretfenner@yahoo.com

August 4, 2017

Public Utility Commission  
Central Records  
1701 N. Congress P.O. Box 13326  
Austin, Texas 78711-3326

Re: Docket No. 47275 - Application of The Commons Water Supply, Inc. (The Commons) for a Rate/Tariff Change Application (Application)

In regards to Commission's Staff's recommendation on Sufficiency, please find the Applicant's following response to Staff's claimed deficiencies in the Application as submitted.

1. Attached is a revised customer notice that accurately reflects the cost for usage of 30,000 gallons.
2. In regards to Schedule II-16, the Title Block on this page was change to The Commons Water Supply, Inc. This minor clerical error in no way affected the revenue requirement nor the expense for insurance.
3. The known and measurable change for other volume expense was revised to zero (\$0.00). No change in the revenue requirement was necessary.

In addition after the Application was filed, the active connections by meter size count in Schedule I-3 was discovered to be inaccurate. This Schedule has been revised to reflect the accurate number of customer by meter size. This change did not affect the revenue requirement in Schedule I-1. However, the alternative rate structure design in Attachment C was revised to reflect a standard base rate for all residential customers. These rate design change is also reflected in the revised customer notice as attached.

With these minor changes in the Application and the revisions in the customer notice, This Application should be found to be sufficient for filing and declared administrative complete. Should you have any further questions concerning this Application, please do not hesitate to contact me at (512) 264-9124.

Sincerely,



Bret W. Fenner, P.E.  
B & D Environmental, Inc.

Enclosures

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UTILITY NAME: <u>The Commons Water Supply, Inc.</u> SCHEDULES - CLASS B RATE/TARIFF CHANGE <b>II-5 OTHER RELATED VOLUME EXPENSES</b> FOR THE TEST YEAR ENDED: <b>December 31, 2016</b>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**This page is supplemental information. It is required to complete Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
3.	618	Other volume related expenses

**Other volume related expenses**

**List the amount spent on other volume related expenses for the last two record periods and actual for the Test Year. Indicate the kinds of expenses included in this account by identifying all large\* items. If the actual for the Test Year is higher than previous years, indicate the reason for the increase:**

**\* A large item is more than 10% of the test year account balance and more than \$1,000.**

	<b>Year</b>	<b>Amount</b>	
	<u>                    </u>	\$ <u>                    </u>	
	<u>                    </u>	\$ <u>                    </u>	
<b>a. Test Year</b>	<u>2016</u>	\$ <u>120,880</u>	
<b>b. K &amp; M Change</b>		\$ <u>0.00</u>	(to I-1, Column E, Line 3)
<b>c. Adjusted Test year (a.+b.)</b>		\$ <u>120,880</u>	(to I-1, Column F, Line 3)

**Explanation and calculations of known and measurable change:**

UTILITY NAME: The Commons Water Supply, Inc.  
 SCHEDULES - CLASS B RATE/TARIFF CHANGE

## II-16 INSURANCE

FOR THE TEST YEAR ENDED: **December 31, 2016**

**This page is supplemental information. It is required to complete Schedule I-1.  
 References below refer to Schedule I-1.**

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
19.	684	Insurance

**Insurance**

List the amount spent on insurance for the last two record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items\*. If the Test Year is higher than previous years, indicate the reason for the anticipated increase:

	<u>Year</u>	<u>Amount</u>	
	<u>                    </u>	\$ <u>                    </u>	
	<u>2015</u>	\$ <u>849.00</u>	
a. Test Year	<u>2016</u>	\$ <u>1,547.00</u>	
b. K & M Change		\$ <u>0.00</u>	(to I-1, Column E, Line 19)
c. Adjusted Test year (a. + b.)		\$ <u>1,547.00</u>	(to I-1, Column F, Line 19)

**Types of insurance:**

<u>2016</u>	\$ <u>1,547.00</u>	<u>Test Year</u>	<u>General Liability</u>	<u>                    </u>
<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>
<u>                    </u>	\$ <u>                    </u>	<u>Test Year</u>	<u>                    </u>	<u>                    </u>
<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>
<u>                    </u>	\$ <u>                    </u>	<u>Test Year</u>	<u>Auto</u>	<u>                    </u>
<u>Year</u>	<u>Total amount</u>	<u>Period Covered</u>	<u>Type</u>	<u>Company</u>

**Explanation and calculations of known and measurable change:**

SCHEDULE I-3 METERED CON

UTILITY NAME: The Commons Water Supply, Inc.

SCHEDULES - CLASS B RATE/TARIFF CHANGE

I-3 METERED ACTIVE CONNECTIONS BY METER SIZE

FOR TEST YEAR ENDED: Decmber 31, 2016

A	B	C	D	E	F		G	H
		Number of Connections						
Line No.	Meter Size	End of Prior Year	Test Year Additions	End of Test Year	Average		Meter Ratios	Meter Equivalencies End of TY
		PUC report Sch. 9		(C+D)	(C + E) /2			(E x G)
1.	5/8" x 3/4"	402	0	402			1.0	402
2.	3/4"	0	0	0	0		1.5	0
3.	1"	516	32	548	0		2.5	1,370
4.	1 1/2"	0	0	0	0		5.0	0
5.	2"	0	0	0	0		8.0	0
6.								
7.								
8.								
9.	Total	918	32	950				1,778
10	Average							

# **ATTACHMENT C**

# Attachment C: Alternative Water Rate Design

## The Commons Water Supply, Inc.

Item	Cost	%	Fixed	%	Variable
Management Salaries	\$60,000	90	\$54,000	10	\$6,000
Contract Work	\$56,383	90	\$50,745	10	\$5,638
Office Salaries	\$15,000	90	\$13,500	10	\$1,500
Power Expense	\$52,238	0	\$0	100	\$52,238
Materials	\$26,899	100	\$26,899	0	\$0
Transportation	\$0	50	\$0	50	\$0
Other Plant Maintenance	\$0	50	\$0	50	\$0
Other Volume related expenses	\$120,880	0	\$0	100	\$120,880
Office Services & Rental	\$0	100	\$0	0	\$0
Office Supplies	\$5,798	50	\$2,899	50	\$2,899
Telephone Services	\$0	100	\$0	0	\$0
Insurance	\$1,547	100	\$1,547	0	\$0
Telephone Expense	\$0	100	\$0	0	\$0
Miscellaneous	\$0	50	\$0	50	\$0
Equipment Expense	\$17,774	50	\$8,887	50	\$8,887
<b>Subtotal (Lost Fill &amp; Return)</b>	<b>\$27,745</b>		<b>\$13,872</b>		<b>\$13,872</b>
<b>% of Total (Fixed + Variable)</b>			<b>51.55%</b>		<b>48.45%</b>
Depreciation	\$15,100	100	\$15,100	0	\$0
Taxes Other than Income	\$13,640	100	\$13,640	0	\$0
Income Taxes Expense	\$12,924	100	\$12,924	0	\$0
Return	\$180,436	100	\$180,436	0	\$0
Loss on Depreciation	\$12,924	100	\$12,924	0	\$0
<b>TOTAL</b>	<b>\$697,078</b>		<b>\$464,644</b>		<b>\$232,435</b>

Test Year Customer Equivalents = 950  
 Gallons Included in Minimum Bill = 0  
 Total Test Year Gallons Billed = 99,974,000

### Gallonage Charge

Variable Costs / (Total Test Year Gallons Billed / 1,000 gallons) = \$2.32 per 1,000 gal

### Minimum Bill

Fixed Costs / 12 months / Test Year Customer Equivalents = \$40.76 per month

Using Gallonage charge of \$ **1.90** per 1,000 gallons  
 Yields a Minimum Bill of \$ **44.48** per month

Minimum Bill = [Total Costs - (Gallonage charge \* Gallons Billed / 1000)] / 12 months / Customer Equivalents

	Minimum Bill	Gallonage Rates:
5/8" x 3/4" (standard)	\$ 44.48	\$ 1.90 per 1000 gallons from 0 to 10,000 gallons
1" (multiply standard by 2.5)	\$ 44.48	\$ 3.05 per 1000 gal. from 10,001 to 15,000 gallons
1 1/2" (multiply standard by 5.0)	\$ 222.40	\$ 3.95 per 1000 gal. from 15,001 or more gallons
2" (multiply standard by 8.0)	\$ 355.84	
3" (multiply standard by 15.0)	\$ 667.20	
4" (multiply standard by 25.0)	\$ 1,112.00	
6" (multiply standard by 50.0)	\$ 2,224.00	