

Control Number: 47279



Item Number: 3

Addendum StartPage: 0

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DOCKET NO. 47279

2017 JUL -7 PM 3:18

COMPLAINT OF WES ANDERSON ET AL.
AGAINST QUADVEST L.P., QUADVEST,
INC., RANCH UTILITIES CORP.
AND RANCH UTILITIES, L.P.

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PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK

OF

TEXAS

QUADVEST L.P.'S RESPONSE TO ORDER NO. 1

Quadvest LP ("Quadvest") files this Response to Order No. 1. In support thereof, Quadvest L.P., Quadvest, Inc. Ranch Utilities Corp., and Ranch Utilities, L.P. (collectively "Quadvest") respectfully shows as follows:

Background and Summary of the Argument

The Complaint, brought by 31 individuals,¹ out of over 10,000 customers, is entirely frivolous, unsupported, and should be denied. This Complaint should be dismissed in its entirety for the five following reasons:

1. Out of the 31 Complainants in this case (hereinafter "Complainants"), only 10 Complainants filed an informal complaint related to the meter accuracy. Therefore, the remaining 21 Complainants should be dismissed for failure to exhaust the administrative remedies set forth in PUC. Subst. R. 22.242(c).
2. Four of the Complainants are not customers of Quadvest, nor were they at any time relevant to this proceeding, and therefore, do not have standing to bring this Complaint.
3. While the Commission retains primary jurisdiction over complaint proceedings such as this, the request for class action status should be dismissed because the Commission does not have jurisdiction to certify a class. That is strictly the function of a district court. Likewise, the Commission should fulfill its statutory regulatory role and either dismiss or decide this complaint, rather than waiving jurisdiction.
4. The allegations relating to improper billing and meter inaccuracy are entirely false. Quadvest hired an independent third party to perform a sampling of the advanced meters at issue in this Complaint and the sample meters were found to be on average 99.78% accurate.
5. Notwithstanding the third party testing of the meters, the actual usage for many of the Complainants is entirely consistent with prior usage and weather patterns.

¹ There are 26 accounts at issue. Four individuals named are not account holders and one joint account.

There was little to no rainfall in July through mid-August when the high usage was reported. As rainfall increased in mid-August, usage declined, consistent with high irrigation usage.

6. The allegations relating to an improper surcharge should be denied because Quadvest was charging its approved pass through fee, as reflected both on the customer billing statements and the Commission approved pass through tariff.

Argument and Authorities

1. Failure to Exhaust Administrative Remedies—First Time Complainants—Advanced Meters

This is now the second complaint proceeding brought by many of the Complainants. In Docket 46439, Complainants filed a complaint identical to the Complaint at issue in this proceeding. The Administrative Law Judge dismissed 22 of the 23 of the Complainants for failure to exhaust administrative remedies.² Likewise, in this case, a number of the same Complainants have still failed to file informal complaints. It is concerning to Quadvest that counsel for Plaintiff would refile *these same claims on behalf of the same customers that were previously dismissed* without even verifying that these customers have filed informal complaints. Moreover, there appears to have been no attempt to verify that the individuals were actually water customers of Quadvest. For example, Tamara Blessing does not receive water service at all from Quadvest. Finally, there was no attempt to remove Mr. Jones, who has an identical complaint pending in Docket 46439, from the list of Complainants in this action.

Quadvest moves to dismiss the following Complainants from this action for failure to exhaust their administrative remedies related to the advanced meters to the fullest extent required under PUC Proc. R. 22.242: Bradley K. Baker, Marco Barnes, Priscilla A. Ferguson, , Robert Hardoin, Oneal Norris, Paul and Rebecca Gardaphe, Richard Deming, Ron Christopherson, Tamara Blessing, Martin Leo, Wes Anderson, Darin Reeser, Victoria Risinger, Jennifer Wike, George H. Krug, III, Margie C. Krug, Jamie Taylor, Stephanie Taylor, Mark Lejsekon, M’Ral Legsekon (collectively “First Time Complainants”). Accordingly, these parties should be dismissed for failure to follow administrative remedies.

PUC Proc. Rule 242(c), 16 TAC § 22.242(c), states as follows:

² See Docket 46439, *Complaint of Wes Anderson et al. Against Quadvest LP, Ranch Utilities Corp., and Ranch Utilities LP*. (Order No.3). A copy of this order is attached hereto as Exhibit A.

(c) Information resolution required in certain cases. A person who is aggrieved by the conduct of an electric utility or telecommunications utility *or other person* must present a complaint to the commission for information resolution before presenting the complaint to the commission.³

The Commission has 35 days to evaluate the informal complaint, after which a formal complaint may be filed. *See id.* § 22.242(d). The above “First Time Complainants” never filed an informal complaint with the Commission. In fact, *the majority of the First Time Complainants never even contacted Quadvest to complain about the advanced meters or the groundwater pass through fee.* First Time Complainants never made any attempt to provide QV with any specific information regarding their concerns. Therefore, First Time Complainants should be dismissed from this action for failure to follow administrative remedies.⁴

2. Non-Customers of Quadvest

The following Complainants should be further dismissed because they are not customers of Quadvest: Tamara Blessing, Stephanie Taylor, Rebecca Gardaphe, and Margie Krug.⁵ Therefore, these Complainants lack standing to bring this Complaint.

3. Duplicative Proceedings

Stephen Jones should be dismissed from this proceeding because he has an identical complaint pending in Docket 46439.

A. PUC Has Jurisdiction Over Complaint Proceedings and Should Decline to Waive Jurisdiction and Certify a Class Action

As an initial matter, this is a routine complaint proceeding, for which the Commission has exclusive jurisdiction. The two matters in dispute—meter accuracy and accuracy of the pass through fee—are matters routinely decided by this Commission. (*See e.g.*, P.U.C. Subst. R, 24.3 (requiring utility to only charge its approved tariffs); P.U.C. Subst. R. § 24.82 (allowing Commission to order adjustments to bills and assess administrative penalties); P.U.C. Subst. R.

³ While the rule specifically refers to telecommunication or electric utilities, the term “person” encompasses water corporations. Under the Code Construction Act, a corporate is considered a “person.” See Tex. Gov’t Code § 311.005(2) (“Person” includes corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.).

⁴ It should be noted that all of the complaints that were filed were found to be unsubstantiated. See Exhibit B1.

⁵ See Exhibit B, Affidavit of Jeff Eastman.

24.89 (addressing meter accuracy and modifications of bills for inaccurate meters); P.U.C. Subst. R. 22.242 (addressing complaint procedures); TEX. UTIL. CODE § 13.4151 (giving Commission authority to assess administrative penalties); TEX. UTIL. CODE § 13.001 *et seq.* (general jurisdiction of Commission over water utilities). Therefore, it is clear that this Commission has jurisdiction over the issues brought forward in this Complaint. Just as in Docket 46439, the Commission should decline to waive its jurisdiction over this matter.

Moreover, the Commission should decline to certify this matter as a class action. Complainants cite absolutely no authority for this Commission to certify a class action. Contrary to state district court actions, which have specific rules governing the certification of a class (Tex. R. Civ. Proc. 42), there are no PUC rules addressing class actions. As a practical matter, there is no need for class certification because, as a regulated utility, the Commission has the authority to order Quadvest to issue refunds, test meters, or take other actions it deems appropriate and within its authority and those orders would apply to all of Quadvest's customers. Therefore, the Commission should find that it lacks jurisdiction to certify this matter as a class action. *C.f.*, Docket 3960, Prehearing Order and Notice of Second Prehearing Conference, *Petition of City Park Neighborhood Association for Relief from Rates Set by the City of Austin for Electrical Service Outside City Limits*, 15 Tex. P.U.C. Bulletin 474 (May 6, 1982)(declining to treat matter as a class action).

B. Advanced Meters Have Been Independently Tested and Verified as Accurate

This Complaint should further be dismissed because there is no validity to the claim that the advanced meters installed by Quadvest are in any way inaccurate. As an initial matter, Quadvest installed the majority of the advanced meters at issue in this Complaint in July 2016. Quadvest notified its customers of the installation.⁶ The advanced meters installed were manufactured by Master Meter, a well-known and respected advanced meter manufacturer. Prior to shipment, every meter was tested by Master Meter and found to be accurate within American Water Works Association (AWA) standards.⁷

⁶ See Confidential Exhibit B2.

⁷ See Exhibit B, Affidavit of Jeff Eastman.

Second, once Quadvest was served with initial Complaint, Quadvest retained an independent third party (Southern Flowmeter, Inc.) to perform a sampling of 20% (4 out of 20) of the advanced meters at issue in this case, and the testing found the meters to be accurate and consistent with AWA standards. The meters were testing on average 99.78% accuracy, which means they are actually slightly *under* recording usage.

In sum, the meters have been independently verified by two different entities, and have found to be accurate to AWA standards. Complainants have brought forth no evidence to the contrary. Therefore, the Commission should dismiss this Complaint as unfounded.

C. Actual Usage for Customers is Consistent with Prior Usage and Average Rainfall

Notwithstanding the third party testing of the meters, the actual usage for many of the Complainants is not inconsistent with prior usage or weather patterns. Quadvest did not simply rely upon the testing of the meters for accuracy, although that would certainly have been in compliance with industry standards, but Quadvest reviewed each of the Complainants actual usage and variance over a one year period, and compared higher usage months with average rainfall for that time period.⁸

It is important to note that many of the residences at issue in this Complaint are large acreage lots with multi zone irrigation systems. Given the installation of the advanced meters, Quadvest is able to determine the dates and times of increased usage and whether the usage is likely attributable to an irrigation system.⁹ In most cases, the increased water usage was attributable to (1) decreased rainfall in July through mid-August, 2016 (only 1 and 2 inches, respectively),¹⁰ and (2) prolonged irrigation periods resulting from the decreased rainfall.¹¹

Specific review of a sampling of Complainants' actual usage records show that the customers at issue have traditionally high consumption levels.¹²

⁸ See Confidential Exhibit B4, Confidential Exhibit B5 and Exhibit B6.

⁹ See Confidential Exhibit B5.

¹⁰ See Exhibit B6.

¹¹ See Exhibit B, Affidavit of Jeffery Eastman, and Confidential Exhibit B5.

¹² Actual usage records for all Complainants are included in Confidential Exhibit B5.

For example, Complainant A's¹³ meter was independently testified and verified by a third party. This customer's usage increased 37% from 2015 to 2016. However, it is important to note that in July and August usage,¹⁴ when rainfall was only 1 inch and 3 inches, respectively, for the customer's subdivision, irrigation was the apparent cause of the increase. A review of the customer's usage patterns show that in June rainfall was 8 inches. Actual usage was approximately 13,000 gallons. In July and August, however, when rainfall was 1 inch and three inches, respectively, on ten separate days this customer had usage exceeding 2,900 gallons and that on these high usage days, the majority of the water consumption routinely occurred between 6am to 11am. This is very consistent with water usage patterns associated with irrigation systems. While July 2016 usage was higher than July 2015 usage (44,000 gallons vs. 65,000 gallons), this is not unexpected in a month with only one inch of recorded rainfall. It should also be noted that August 2016 usage was consistent with 2015 usage (38,000 gallons vs. 36,000 gallons). Moreover, usage decreased after August 13, 2016. As shown on Exhibit B6, precipitation increased on August 13, 2016, corresponding with decreased irrigation and water consumption.

Complainant B's meter was independently tested and verified. This Customer experienced an 86% increase in water usage from 2015 to 2016. However, it is important to note that, again, the increased water usage was recorded in July and August, periods where rainfall was less than average at 1 inch and 3 inches, respectively. Even so, usage for July 2016 was consistent with usage for July 2015 (27,000 gallons vs. 26,000 gallons).

A review of this customer's usage patterns show that beginning at around 5:00 am and lasting until about 11:00 am on alternating days, this customer experienced usage of approximately 4,000 gallons per day. This is consistent with irrigation patterns. As expected, usage decreased after August 13, 2016. As shown on Exhibit B6, precipitation increased on August 13, 2016, corresponding with decreased irrigation and water consumption.

Complainant C's meter was likewise independently verified. This customer actually experienced a 28% decrease in water usage from 2015 to 2016. July 2015 usage was higher than

¹³ In order to protect customer specific data, Quadvest has randomly assigned three customers letters A-C in order to specifically discuss usage information. Actual usage data will be provided to the Commission separately under seal.

¹⁴ July and August usage would be reflected on the August and September invoices, respectively.

July 2016 usage (72,000 gallons vs. 47,000 gallons) as well as August 2015 and August 2016 (64,000 gallons vs. 58,000 gallons). These statistics show that this customer has traditionally high consumption levels. Moreover, during July and August, 2016, it appears that this customer was irrigating two times per day every day. The morning irrigation period (approximately 3 hour period starting at 4 am) uses approximately 1,100 gallons. The evening irrigation period (approximately 2 hour period starting at 7pm) uses approximately 900 gallons. Again, usage dropped on or about August 15, 2016, with only one morning irrigation period on alternating days) which is consistent with increased rainfall experienced beginning on August 13, 2016.¹⁵

As shown on Confidential Exhibit B4, actual year over year usage as a whole for the Complainants from 2015 to 2016 actually decreased by 84%, not an increase of over 300% as reported in the claim. Only nine of the customers experienced an actual increase in water usage; however, two of those customers, were not even customers during FY2015.

Similar patterns exist for all of the Complainants at issue in this case. Increased water usage in general occurred in July and early to mid-August, followed by decreased water usage as precipitation increased in mid-August.¹⁶ Therefore, not only do the independent meter accuracy tests demonstrate the invalidity of Complainants assertions, the usage records and weather patterns likewise support the accuracy of the advanced meters. Therefore, the Commission should dismiss this Complaint as unfounded.

D. Surcharge Issue

There is simply no validity to Complainant's assertion that Quadvest contracted to charge a pass through fee of \$1.93 per \$1000 gallons. It appears that Complainants are referring to a 2014 Quadvest Tariff, not the current Commission approved Quadvest tariff. Quadvest's applicable Commission approved pass through tariff during FY2016 reflects a pass through fee of \$2.60 per 1000 gallons. As shown on the attached confidential billing statements, Quadvest has been charging the Commission approved pass through tariff of \$2.60.¹⁷ Therefore, the Commission should dismiss this claim in its entirety.

¹⁵ See Exhibit B6.

¹⁶ See Confidential Exhibit B4 and Confidential Exhibit B5.

¹⁷ See Exhibit B7 and B8.

CONCLUSION

FOR THESE REASONS, Quadvest respectfully requests that the Commission dismiss First Time Complainants for failure to Exhaust Administrative Remedies, dismiss non-customers as lacking standing, decline to certify a class action, and further dismiss all claims on the merits as unfounded. Quadvest respectfully requests all other relief, legal and equitable, to which it is justly entitled.

Respectfully submitted,

By: Tammy Wavle Shea
Tammy Wavle Shea
State Bar No. 24008908 *by permission*
Cozen O'Connor *Debra Ellis*
1221 McKinney, Suite 2900
Houston, Texas 77010
Phone: (713) 750-3148
Fax: (832) 214-3905
Email: tshea@cozen.com

ATTORNEYS FOR QUADVEST, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on all parties of record in this proceeding on this the 7th day of July, 2017, by facsimile, electronic mail, U.S. first-class mail, postage prepaid, or by hand delivery.

Tammy Wavle Shea
Tammy Wavle-Shea
by permission
Debra Ellis

DOCKET NO. 46439

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2016 DEC -2 PM 2:34

COMPLAINT OF WES ANDERSON,	§	PUBLIC UTILITY COMMISSION
ET. AL. AGAINST QUADVEST L.P.,	§	OF TEXAS
QUADVEST, INC., RANCH UTILITIES	§	
CORP., AND RANCH UTILITIES, L.P.	§	

**ORDER NO. 3
DENYING REQUEST FOR JURISDICTIONAL WAIVER
AND DISMISSING CERTAIN COMPLAINANTS**

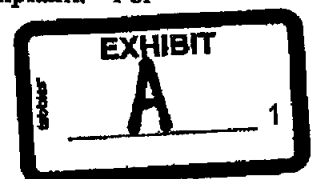
This Order addresses Complainants' request that the Commission waive jurisdiction, Commission Staff's Statement of Position, and Quadvest's response to Order No. 1.

In the complaint filed October 14, 2016, Wes Anderson, Bradley K. Baker, Ethel Barrett, Gail Stephens Acebo, Mary Erato, Priscilla A. Ferguson, Gladys H. Floyd, Randolph R. Hansen, Robert Hardoin, Darin Reeser, Victoria Risinger, Allyn Watkins, Jill Westbrook, Jennifer L. Wike, Fang Yiu, Ashley Sanders, Jamie Taylor, Stephanie Taylor, George H. Krug III, Margie C. Krug, Mark Lejsekon, M'Rai Lejsekon, and Stephen J. Jones requested, among other things, that the Commission waive jurisdiction over this dispute and allow the matter to proceed in district court as a class action filing.

On November 7, 2016, Quadvest responded. Included in the response, Quadvest requested that the Commission dismiss all complainants that failed to comply with the informal resolution requirements of 16 Texas Administrative Code § 22.242(c) (TAC). Quadvest argued that all the complainants, except for Stephen J. Jones, failed to comply with this requirement.

On November 14, 2016, Commission Staff filed a position statement. Commission Staff recommended denial of complainants' request to waive the Commission's jurisdiction. Commission Staff noted that the Commission has jurisdiction over the complaints regarding meter accuracy and the related amounts billed to ratepayers.

Commission Staff stated that complainants alleged that informal complaints were filed with the Commission. However, a review of the Commission's database shows only Stephen J. Jones completed informal resolution of his dispute, thereby complying with the Commission's informal resolution requirements under 16 TAC § 22.242(c). The remaining complainants have not participated in the Commission's informal complaint process prior to filing this complaint. For



Docket No. 46439

Order No. 3

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this reason, Commission Staff recommended that complainants, other than Stephen J. Jones, be dismissed from this docket.

On November 15, 2016, complainants filed a response to Quadvest's filing. In the response, complainants requested a waiver of the requirement to comply with the informal complaint resolution process under 16 TAC § 22.242(c).

Consistent with Commission Staff's recommendations, complainants' request for waiver of the Commission's jurisdiction is denied. Complainant's request to waive the requirements under 16 TAC § 22.242(c) is denied. All complainants, except for Stephen J. Jones, are dismissed without prejudice from this proceeding. Further, all motions to abate are denied.

Signed at Austin, Texas the 2nd day of December 2016.

PUBLIC UTILITY COMMISSION OF TEXAS



JEFFREY J. HOHN
ADMINISTRATIVE LAW JUDGE

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DOCKET NO. 47279

COMPLAINT OF WES ANDERSON ET AL. § PUBLIC UTILITY COMMISSION
AGAINST QUADVEST L.P., QUADVEST, §
INC., RANCH UTILITIES CORP. CORP. §
AND RANCH UTILITIES, L.P. § OF
§
§ TEXAS
§

AFFIDAVIT OF JEFFREY EASTMAN

BEFORE ME, the undersigned authority, personally appeared Jeffrey Eastman, known to me to be a credible person who on his oath deposed and stated the following on his personal knowledge:

1. "My name is Jeffrey Eastman and I am the Chief Financial Officer for Quadvest LP and Ranch Utilities LP. I have been employed in this capacity since 2012. As part of my job duties with Quadvest, I am responsible for overseeing all financial and customer service activities and budgets, overall policies and procedures regarding capital expenditures, including the installation of smart meters, reviewing and approving work orders, and overseeing the resolution of any customer complaints. I am over the age of eighteen (18) years, and there is no legal impediment to my giving this affidavit. I make this affidavit on my personal knowledge and the statements contained herein are true and correct.

2. I am the custodian of certain records for Quadvest LP and Ranch Utilities LP. The records attached to this affidavit, consisting of 373 pages were kept by Quadvest LP and Ranch Utilities LP. in the regular course of its business. The entries contained in these records were made at or near the time of the act, event, condition, or opinion, or reasonably soon thereafter. It was the regular course of the business for an employee or representative of the business with knowledge of the act, event, condition, or opinion to make the entries contained in



these records or to transmit information concerning these matters to other employees or representatives of the business designated to receive the information for the purpose of including it in the records of the business. The records attached to this affidavit are exact duplicates of the originals.

3. I have reviewed the account records, weather history and usage patterns for the customers that are parties to the complaints. As an initial matter, it should be noted that neither Quadvest LP nor Ranch Utilities LP have any customer accounts in the name of Mark Lejeskon, Rebecca Garaphe, or Stephanie Taylor. There is a customer account under the name of James Taylor, not Jamie Taylor as listed in the Complaint. Also, Tamara Blessing is a sewer customer only, therefore, Quadvest never installed a smart meter at respective residence. Furthermore, the only customers to file an informatal complaint against Quadvest LP or Ranch Utilities LP were:

Stephen Jones (8/29/16)

Brian Barrett (12/19/16)

Gail Acebo (12/8/16)

Mary Erato (12/7/16)

Gladys Floyd (12/7/16)

Randolph Hansen (12/9/16)

Jill Westbrook (12/8/16)

Fang Yiu (12/12/16)

Ashley Sanders (12/8/16)

Allyn Watkins (12/8/16)

The Commission found all of these complaints to be unfounded. See Exhibit B1.

4. In or about July 2016, Quadvest LP and Ranch Utilities upgraded its meters to smart meters. Notice was given to the Complainants herein via bill insert and by email. See Confidential Exhibit B2. After thorough research and bidding, Quadvest LP and Ranch Utilities selected Master Meter to as the smart meter manufacture and HydroPro Solution to install the meters due to their excellent reputation in the industry. Prior to installation, every meter was tested by Master Meter and found to be accurate within AWA standards (98.5%-101.5%).

5. After receiving the Complaint in Docket 46439, Quadvest also retained an independent third party consultant to test a sampling of the meters at issue in this complaint. The entity, Southern Flowmeter, Inc., found the meters to be accurate and consistent with AWA standards. The average meter accuracy was 99.78%, meaning that the meters were slightly under recording usage, not over recording usage. However, the average accuracy was still within AWA standards. (See Exhibit B3).

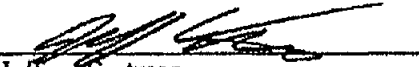
6. Quadvest LP and Ranch Utilities also reviewed actual usage records and weather patterns during the time period at issue as a further check on the accuracy of the meters. Attached hereto as Confidential Exhibit B4 is a spreadsheet detailing the usage history for the Complainants at issue. Confidential Exhibit B5 is actual usage history for all of the Complainants. For three Complainants specifically discussed in the response (Complainants 1-3), Quadvest LP and Ranch Utilities has also included hour by hour usage history.

7. As shown on Exhibit A6, there was little rainfall in the Quadvest LP and Ranch Utilities service territory in July, 2016 and through mid-August 2016. Exhibit B6, which is a summary of precipitation from Weather Underground, a source routinely used in the water utility industry, demonstrates that in July and early August there was little to no perception on most days. However, on August 13, 2016, precipitation increased. As shown on the daily usage


records of the three Complainants for which hourly usage is provided, it is evident that usage dramatically decreased after August 13, 2016. Moreover, the usage patterns from July and August (early morning high usage) is consistent with irrigation on large acreage lots such as those located in the Quadvest LP and Ranch Utilities service territories.

8. Quadvest LP and Ranch Utilities have charged their Commission approved pass through to all customers. It appears that Complainants refer to a 2014 pass through Tariff which set the pass through at \$1.93/1000 gallons. See Exhibit B7. However, the applicable Commission approved tariff during summer of FY2016, approved February 24, 2016, sets the pass through fee at \$2.60/1000 gallons. As shown on Confidential Exhibit A2, this is the amount that Quadvest LP and Ranch Utilities LP has been billing its customers.

Further affiant sayeth not.


Jeffrey Eastman

SUBSCRIBED AND SWORN TO BEFORE ME this 7th Day of July, 2017.


Notary Public



Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

9/19/2016

Mr Stephen Jones
32811 Sawgrass Ct
Magnolia TX 77354

RE: Complaint # CP2016081095

Dear Mr Jones:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the billing issue you have experienced with this company. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest submitted a copy of the meter reading and usage history for the premise which reveals all the meter readings obtained have been actual and not estimated or prorated. The meter at the premise was replaced with an AMR meter on 07/18/16. A photograph of the final reading was obtained and provided to the PUC. The company sustains charges billed are valid and payable to Quadvest.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rules §24.87 Billing and §24.89 Meters. Quadvest has confirmed the account has been billed based on the usage registered each month on your meter. The meter readings obtained have been actual readings. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest



Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

1/2/2017

Mr Brian Barrett
11018 Lake Windcrest
Magnolia TX 77354

RE: Complaint # CP2016120423

Dear Mr Barrett:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the usage reported for your premise. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest has confirmed the usage period of 06/29/16 through 07/28/16 was recorded through a manually read meter. The company was able to provide the daily usage log from 07/16/16 through 09/08/16 which reveals your usage varied between 1600 gallons in one day to over 8000 gallons in one day. On alternating days the usage for the premise went down as low as 140 gallons, but your usage from 08/14/16 through 09/08/16 was averaging 539 gallons per day, higher than most households.

The company received a leak alarm from your meter on 08/18/16 and 08/31/16 indicating the meter did not go to zero usage for at least 3 hours in a 24 hour period. Quadvest advised you were issued an email notifying you of the possible leak at the premise.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rule §24.89 Meters by obtaining actual meter readings every month for the premise. The account has been billed based on the meter readings obtained and the rate listed in the company's approved tariff in accordance with Substantive Rule §24.87 Billing. The company is not responsible for leaks on the customer side of the meter which may be attributing to the increase in the usage billed for your account. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

12/16/2016

Ms Gail Acebo
10614 Serenity Sound
Magnolia TX 77354

RE: Complaint # CP2016120205

Dear Ms Acebo:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the usage billed for the premise. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest submitted a copy of the usage history for the premise back to 2008. The usage was high in July of 2016, but it was not out of line with the historical usage for the premise. The data log indicates alternating days of usage from 07/17/16 and 08/14/16 which indicate an irrigation system was being utilized. Every other day the usage spikes to 4500 gallons versus the alternating days which were back to the normal usage of 100 gallons a day. The usage spiked on 09/20/16 and 09/21/16 and again on 10/09/16 and 10/15/16. The usage is not consistent with a leak.

Records indicate you contacted the company in September of 2015 regarding the high usage of 91K. Quadvest issued a work order to have the meter tested and the meter test was conducted on 09/03. The meter was found to be functioning at 99% accuracy, well within industry standards. A door hanger was left at the door indicating you should call the office to obtain the results of the meter test.

On 08/19/16, you contacted the company to inquire about the Pass Thru Fee and were advised what the fee was and how it had increased in the past few years. The fee is passed on to the conservation districts and is not kept by Quadvest.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rule §24.87 Billing and §24.89 Meters. The company has billed the account based on the rate approved by the Public Utility Commission and the meter readings obtained for the premise. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

12/15/2016

Mrs Mary Erato
32643 Green Bend Court
Magnolia TX 77354

RE: Complaint # CP2016120190

Dear Mrs Erato:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the usage reported for your premise. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest has provided a usage history for your premise from June of 2014. The history reveals there were months when your usage was up to 45K and there were months when the usage was only 5K. The data log submitted by the company confirms you had alternating days between 07/18/16 and 08/12/16 where your usage was over 3K per day which would appear to be an indication of irrigation; however your household usage generally averages 500 gallons per day. There are no negative values indicated on your usage history.

The Pass Thru Fee has changed twice since you initiated service with the company, going from \$1.93/1000 in 2015 to the current amount of \$2.60/1000. The increase has impacted all customers despite the usage being less than historical usage. The fee is passed on to the conservation districts and is not kept by Quadvest.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rules §24.87 Billing and §24.89 Meters. The company has billed the account based on the rate approved by the Public Utility Commission and listed on the utility company's tariff and the meter readings obtained for the premise. No adjustments appear warranted at this time. All charges billed are sustained as valid and payable to Quadvest.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

12/14/2016

Ms Gladys Floyd
10118 Clubhouse Circle
Magnolia TX 77354

RE: Complaint # CP2016120186

Dear Ms Floyd:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the usage billed for the account. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest has advised there is no record that you have attempted to contact the company in 2015. It appears you contacted the company in August of 2016 regarding an issue with Quadvest's third party payment site; therefore the penalty assessed was waived as you were unable to make your payments online by the due date. Records indicate you had questions regarding the Pass Thru Fee on your invoice and the company clarified this fee on 08/22/16.

The company submitted a copy of the meter reading and usage history for the premise to illustrate the usage has been consistent with prior years. A data log for your address was also provided for the service periods of 07/18/16 through 10/19/16 which display 12 alternating days between 07/18/16 and 08/14/16 when the usage was almost 4K per day. Five days in September and early October reveal the same usage. All other days appear to be average household usage days.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rules §24.87 Billing and §24.89 Meters. The company has billed the account based on the rates approved by the Public Utility Commission and listed in the company's approved tariff and the meter readings obtained each month. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

12/16/2016

Mr Randolph Hansen
10314 Serenity Sound
Magnolia TX 77354

RE: Complaint # CP2016120235

Dear Mr Hansen:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the usage billed on your account. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest submitted a copy of the usage history for the premise which reveals the meter may not have been read properly in the past as historical data reveals usage of zero for some months. The data log indicates the usage between 07/16/16 and 08/13/16 had alternating days of usage indicative of an irrigation system being utilized. Records reveal every other day the usage rose as high as 3000 gallons and the alternating days were back below 350 gallons during what would appear to be the normal household usage days. The usage spikes began in early September and continued to alternate between 2500 and 100 gallons per day through mid-October.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rule §24.87 Billing and §24.89 Meters. The company has billed the account based on the rate approved by the Public Utility Commission and the meter readings obtained; however Quadvest recommends you contact the company should you have questions regarding the usage. Quadvest can issue a meter test to ensure the accuracy of the meter readings obtained should you continue to dispute the usage reported. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

12/15/2016

Ms Jill Westbrook
9426 Deer Path Ln
Magnolia TX 77354

RE: Complaint # CP2016120199

Dear Ms Westbrook:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the usage reported for your premise. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest has provided a copy of the usage history for the premise back to 2010. The usage history confirms your usage is consistently over 60K during the summer months and there were instances in 2011 in which your usage was averaging 95-96K. Despite your statement that you have not needed to utilize your irrigation system more than three times during the summer, the data log indicates you were irrigating consistently for 21 days between 07/26/16 and 08/15/16. The company verified the usage was around 1,700 or 1,800 every 7th day during this time period and every other day it was around 2K and above.

The Pass Thru Fee has also impacted customer bills as the fee has increased from \$0.50/1000 in 2010 to the more recent fee of \$1.93 per 1000 gallons in 2015. The current Pass Thru Fee is \$2.60/1000 would inevitably impact customers despite the usage being less than historical usage. The fee is passed on to the conservation districts and is not a fee that Quadvest collects and keeps.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rules §24.87 Billing and §24.89 Meters. The company has billed the account based on the rate approved by the Public Utility Commission and listed on the utility company's tariff and the meter readings obtained for the premise. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

12/16/2016

Mr Fang Yiu
29827 Edgewater Dr
Magnolia TX 77354

RE: Complaint # CP2016120265

Dear Mr Yiu:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the usage reported for the premise. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest submitted a copy of the data log for your premise which reveals usage of 1500-2000 gallons per day. The usage dropped on 08/14/16 when the area experienced rainfall; however the usage spiked again in late August for 3 days and again in September for 3 days. All water utility companies hold "monopolies" in the area which is served by the company as the water industry is not deregulated. The company holds the CCN for your area as approved by the Texas Commission on Environmental Quality and now upheld by the Public Utility Commission. The rate billed on your account is approved by the Public Utility Commission and listed on the utility company's tariff. Quadvest recommends you contact the company should have any questions regarding the usage and accuracy of the billing to allow the company to further expound on your account.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rules §24.87 Billing and §24.89 Meters. The company has verified the account has been billed appropriately based on the approved rate on the utility company's tariff and the meter readings obtained. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest



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An Equal Opportunity Employer

Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Public Utility Commission of Texas

12/15/2016

Ms Ashley Sanders
12130 Clara Lane
Pinehurst TX 77362

RE: Complaint # CP2016120189

Dear Ms Sanders:

The Customer Protection Division has received the response from Quadvest concerning your complaint regarding the usage billed for your account. We have reviewed the documentation presented by both you and Quadvest in order to ensure the company has acted consistently with applicable Substantive Rules.

Quadvest provided the Customer Protection Division a copy of the data log for the service periods of 07/11/16 through 10/19/16. The premise appears to have experienced normal household usage with the exception of two spiked between 07/14/16 and 08/14/16. There are no records that you have attempted to contact the company since you initiated service in January of 2016. The last action on the account was self-initiated through the online bill portal. It appears you set your account up on e-bill on 08/18/16.

Based on the investigation conducted the Customer Protection Division has determined Quadvest has acted consistently with Substantive Rule §24.87 Billing and §24.89 Meters. The company has billed the account based on the rate approved by the Public Utility Commission and the meter readings obtained for the premise. No adjustments appear warranted at this time.

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: Quadvest



Southern Flowmeter, Inc.
Fast-Reliable-Accurate
4026 Colgate, Houston, TX 77087
Office (281) 997-5544
Fax (281) 946-5045

Meter Inspection / Test Report

Owner	Lake Windcrest
Customer	
Address	11018 Lake Windcrest
Brand	Master Meter
Size/Model	1 1/2" BL
Serial	8898875
Service Type	Residential

Test Data

Test Date	Thursday, October 27, 2016
Register 1	83700
Register 2	0
Metered Total	83700

Test Condition	Rate (GPM)	Known Standard (Gallons)	Metered (Gallons)	Percent Accuracy
Low Flow	0.75	10	9.9	99.0%
Medium Flow	4	40	39.6	99.0%
High Flow	40	150	150.4	100.3%
Total Known Gallons		200		
Total Metered Gallons		199.9		
			Weighted Accuracy	99.2%

Notes

Meter accuracy acceptable, does not exceed AWWA threshold of 101.5%

EXHIBIT
B3



Southern Flowmeter, Inc.

Fast-Reliable-Accurate
4026 Colgate, Houston, TX 77087
Office (281) 997-5544
Fax (281) 946-5045

Meter Inspection / Test Report

Owner	Lake Windcrest
Customer	
Address	11511 Harbor Way
Brand	Master Meter
Size/Model	1 BL
Serial	8898825
Service Type	Residential

Test Data

Test Date	Thursday, October 27, 2016
Register 1	74480.8
Register 2	0
Metered Total	74480.8

Test Condition	Rate (GPM)	Known Standard (Gallons)	Metered (Gallons)	Percent Accuracy
Low Flow	0.75	10	9.8	98.0%
Medium Flow	4	40	40	100.0%
High Flow	40	150	146.9	97.9%
Total Known Gallons		200		
Total Metered Gallons			196.7	
			Weighted Accuracy	99.2%

Notes

Meter accuracy acceptable, does not exceed AWWA threshold of 101.5%



Southern Flowmeter, Inc.
Fast-Reliable-Accurate
4026 Colgate, Houston, TX 77087
Office (281) 997-5544
Fax (281) 946-5045

Meter Inspection / Test Report

Owner	Lake Windcrest
Customer	
Address	9426 Deer Path Ln
Brand	Master Meter
Size/Model	1 BL
Serial	8898775
Service Type	Residential

Test Data

Test Date	Thursday, October 27, 2016
Register 1	77927.4
Register 2	0
Metered Total	77927.4

Test Condition	Rate (GPM)	Known Standard (Gallons)	Metered (Gallons)	Percent Accuracy
Low Flow	0.75	10	10	100.0%
Medium Flow	4	40	39.7	99.3%
High Flow	40	150	146.3	97.5%
Total Known Gallons		200		
Total Metered Gallons		196		
			Weighted Accuracy	99.1%

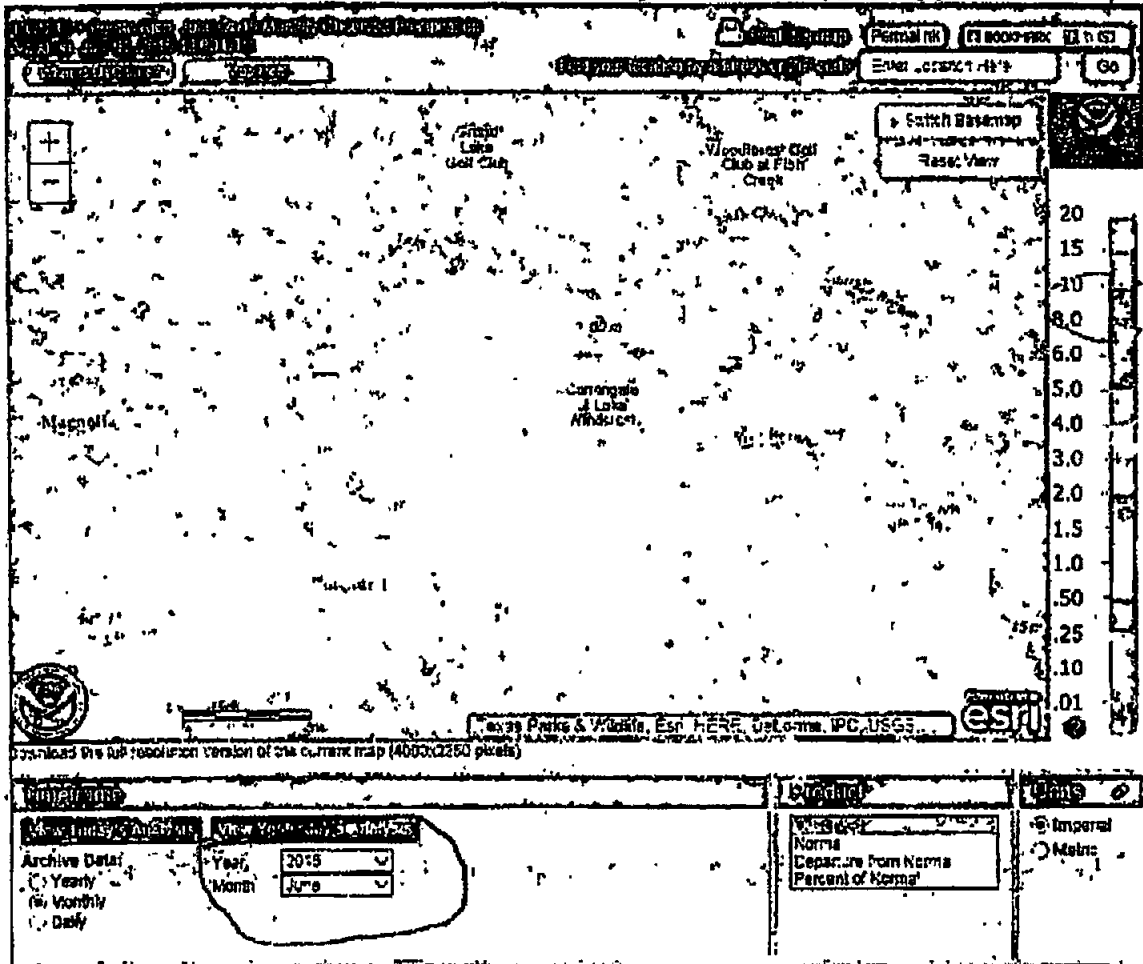
Notes

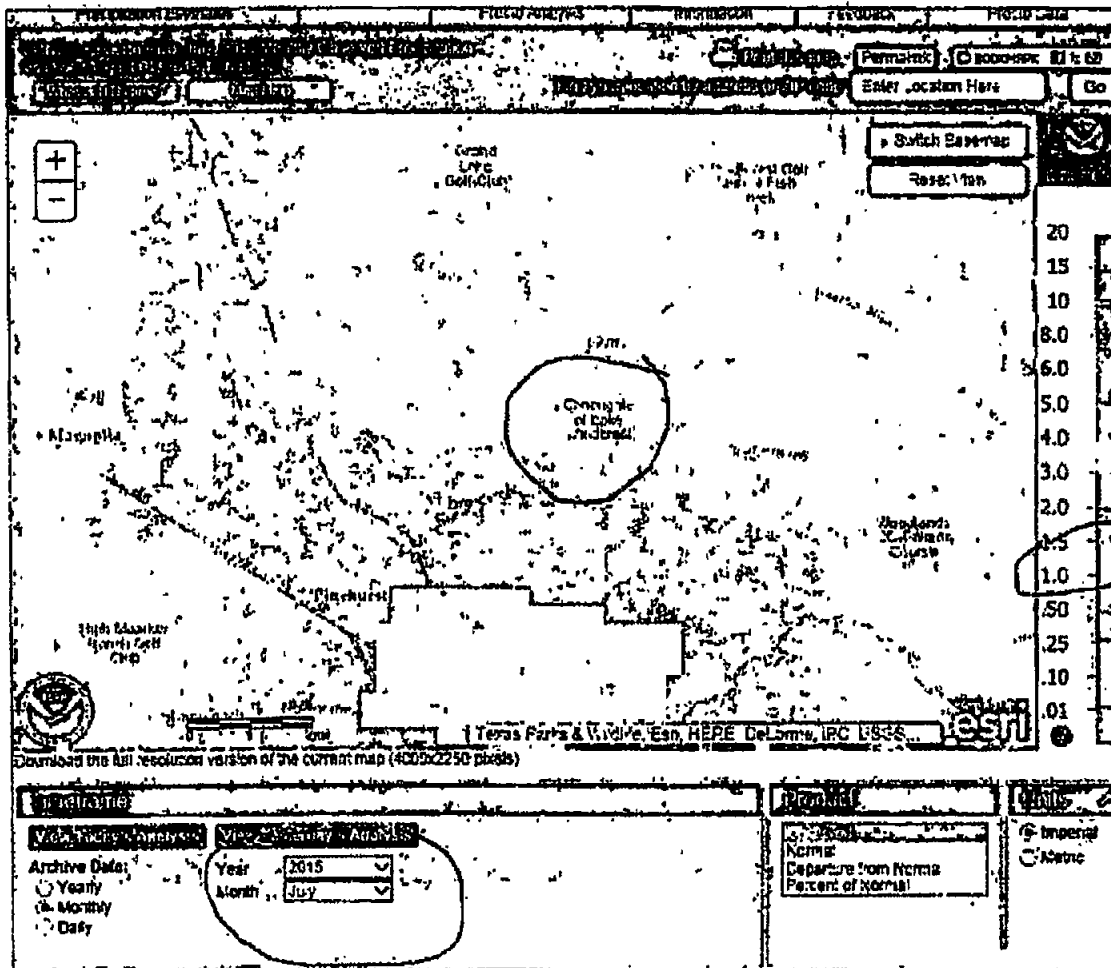
Meter accuracy acceptable, does not exceed AWWA threshold of 101.5%

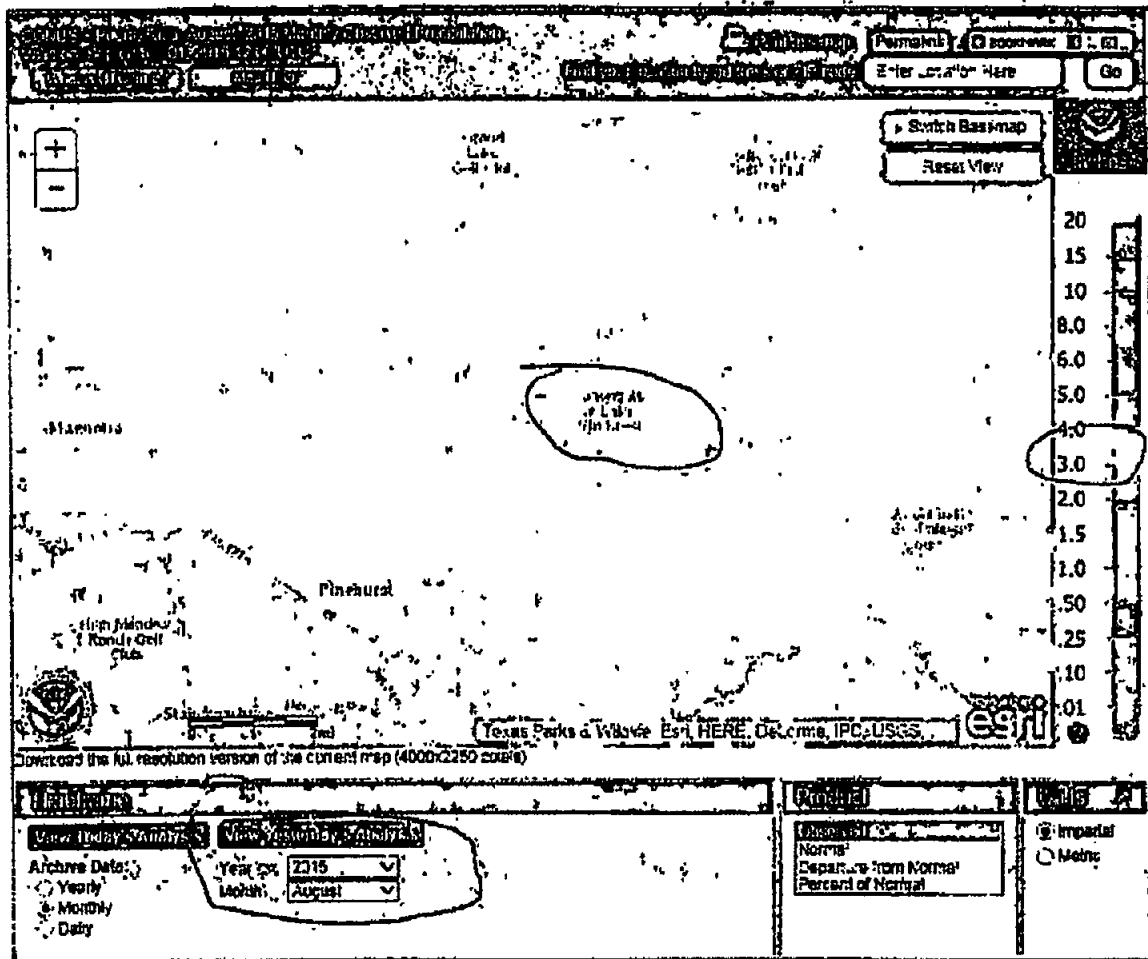
Rainfall Totals For July & August 2016 (Spring Texas Per Weather Underground.com)

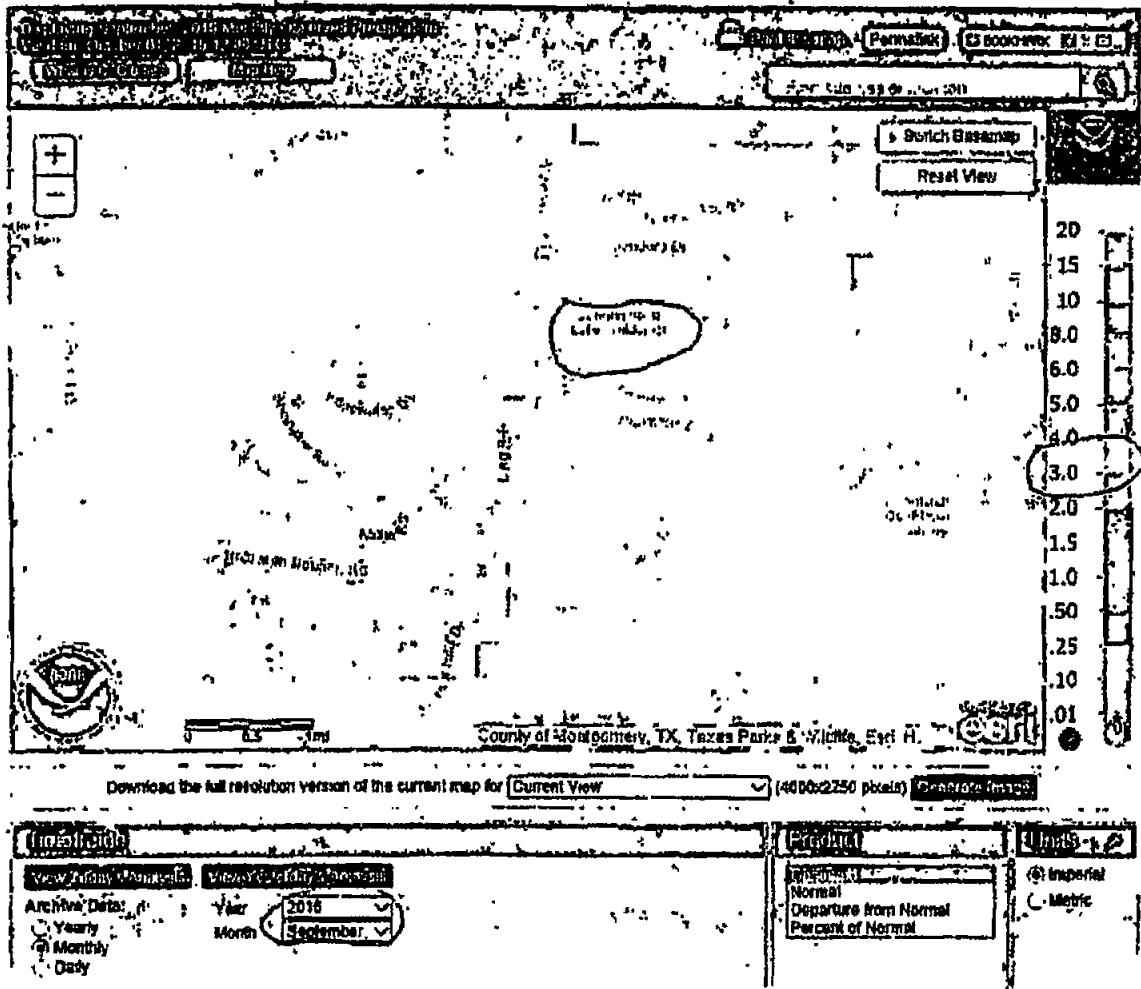
Date	High Temp	Low Temp	Rainfall (in)	Notes
7/1/2016	95	75	0	
7/2/2016	96	75	0	
7/3/2016	95	79	0	
7/4/2016	95	81	0	
7/5/2016	96	82	0	
7/6/2016	95	82	0	
7/7/2016	96	81	0	
7/8/2016	97	80	0	
7/9/2016	97	75	0	
7/10/2016	93	80	0	
7/11/2016	95	80	0	
7/12/2016	96	79	0	
7/13/2016	97	80	0	
7/14/2016	97	80	0	
7/15/2016	98	78	0	
7/16/2016	98	73	0	
7/17/2016	96	75	0	Thunderstorm
7/18/2016	96	75	0.01	Rain, Thunderstorm
7/19/2016	93	77	0.45	Fog, Rain, Thunderstorm
7/20/2016	97	75	0	
7/21/2016	97	75	0	
7/22/2016	98	75	0	
7/23/2016	99	75	0	
7/24/2016	99	77	0	Thunderstorm
7/25/2016	96	75	0	Rain, Thunderstorm
7/26/2016	91	75	0.08	Rain, Thunderstorm
7/27/2016	86	75	0	Rain, Thunderstorm
7/28/2016	90	75	0.78	Rain, Thunderstorm
7/29/2016	93	75	0	Rain, Thunderstorm
7/30/2016	97	75	0	
7/31/2016	93	77	0	Thunderstorm
8/1/2016	97	73	0	
8/2/2016	98	75	0	
8/3/2016	98	75	0	
8/4/2016	98	75	0	
8/5/2016	99	75	0	Rain
8/6/2016	98	75	0	
8/7/2016	98	77	0	
8/8/2016	99	78	0	
8/9/2016	100	77	0	
8/10/2016	100	78	0	
8/11/2016	100	80	0	Thunderstorm
8/12/2016	100	80	0	
8/13/2016	97	75	1.73	Rain-Thunderstorm
8/14/2016	87	73	4.88	Fog-Rain-Thunderstorm
8/15/2016	87	73	0.72	Rain-Thunderstorm
8/16/2016	81	75	0.85	Rain-Thunderstorm
8/17/2016	84	73	0.91	Rain-Thunderstorm
8/18/2016	86	73	0.07	Rain-Thunderstorm
8/19/2016	91	75	0.08	Rain-Thunderstorm
8/20/2016	91	75	0.3	Rain-Thunderstorm
8/21/2016	88	78	0.35	Rain-Thunderstorm
8/22/2016	86	73	0.18	Fog-Rain-Thunderstorm
8/23/2016	95	75	0	Fog
8/24/2016	95	73	0	Fog-Thunderstorm
8/25/2016	91	78	0	Thunderstorm
8/26/2016	90	75	0.02	Rain-Thunderstorm
8/27/2016	91	75	0	Rain
8/28/2016	89	73	0.35	Rain-Thunderstorm
8/29/2016	84	75	0.15	Rain-Thunderstorm
8/30/2016	93	75	0	
8/31/2016	95	75	0.04	Rain











Donna L. Nelson
Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy Marty Marquez
Commissioner

Brian H. Lloyd
Executive Director



Greg Abbott
Governor

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2016 FEB 24 PM 2:33

Public Utility Commission of Texas
PUBLIC UTILITY COMMISSION
CLERK

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

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

RE: Tariff Control No. 45548 – Application of Quadvest, L.P. to Implement a Pass-Through Rate Change

NOTICE OF APPROVAL

On January 26, 2016, Quadvest, L.P. (Quadvest) filed its annual true-up report for its district pass-through gallonage fee and an application to implement a pass-through rate increase for fees imposed on the utility by several water districts, with the most significant increase coming from the San Jacinto River Authority. The rate increase was effective January 28, 2016.

On February 17, 2016, Public Utility Commission of Texas (Commission) Staff recommended that the application and notice be deemed sufficient and further that application be approved, as specified in the pleading and attached memorandum of Andrew Novak of the Commission's Water Utility Regulation Division. Quadvest mailed notice to affected customers on January 21, 2016, providing the effective date of the increase, the present calculation of customer billings, new calculation of customer billings, changes in charges to the utility for purchased water or water use fees, and the necessary required language by 16 Tex. Admin. Code § 24.21(h)(4)(b). Additionally, Quadvest provided the Commission a copy for the notice sent to customers, proof that the cost of purchased water has changed by the stated amount, and the calculation of the new rate. Commission Staff stated that Quadvest has met all of the requirements set out by the Commission's substantive rules to implement the pass-through fee increase to affected customers. New tariff pages for Quadvest that reflect the rate increase were attached to Commission Staff's recommendation.

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1701 N. Congress Avenue PO Box 13326 Austin, TX 78711 512/936-7000 Fax: 512/936-7003 web site

EXHIBIT

B7