

Control Number: 47449



Item Number: 6

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RECEIVED

APPLICATION OF T&W WATER §  
SERVICE FOR A PASS-THROUGH §  
RATE CHANGE §

PUBLIC UTILITY COMMISSION  
OF TEXAS

2017 OCT 13 AM 10:34  
PUBLIC UTILITY COMMISSION  
FILED CLERK

**COMMISSION STAFF'S FINAL RECOMMENDATION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Final Recommendation. In support thereof, Staff would show the following:

**I. BACKGROUND**

On July 28, 2017, T&W Water Service (T&W) requested approval of a pass-through rate increase due to an increase in pumpage and import fees imposed on the utility by the San Jacinto River Authority (SJRA) for the utility's mandatory participation in SJRA's ground water reduction program. The requested effective date for the pass-through rate change is September 1, 2017.

On August 21, 2017, the Administrative Law Judge (ALJ) issued a notice requiring Staff to file a supplemental recommendation by October 13, 2017. Therefore, this pleading is timely filed.

**II. STAFF'S RECOMMENDATION ON SUFFICIENCY AND NOTICE**

Staff has reviewed T&W's application, and in accordance with Tex. Water Code, Chapter 13, and 16 Tex. Admin. Code §24.21 (TAC), and as supported by the attached memorandum of Janie Kohl of the Commission's Water Utility Regulation Division, Staff recommends that the application be deemed administratively complete and sufficient.

**III. STAFF'S FINAL RECOMMENDATION**

Staff recommends that T&W's application is administratively complete and complies with the requirements of 16 TAC § 24.21. Therefore, as supported by Janie Kohl's attached memorandum, Staff recommends approval of T&W's application. Staff recommends that an

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approved tariff incorporating the pass-through adjustment, of which a proposed copy is attached, be provided to T&W with any Notice of Approval.

#### **IV. CONCLUSION**

Staff respectfully requests that T&W's application and notice be found sufficient. Staff further recommends that the application be approved.

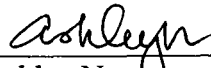
**DATED:** October 13, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney



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**TARIFF CONTROL NO. 47449**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on October 13, 2017, in accordance with 16 TAC § 22.74.



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Ashley Nwonuma

## PUC Interoffice Memorandum

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**To:** Ashley Nwonuma  
Legal Division

**Thru:** Debi Loockerman, Finance Manager  
Water Utility Regulation

**From:** Janie Kohl, Financial Analyst  
Water Utility Regulation

**Date:** October 13, 2017

**Subject:** **Tariff Control No. 47449**, *Application of T&W Water Service for a Pass-Through Rate Change*

On July 28, 2017, T&W Water Service Company (Applicant) filed a notice with the Public Utilities Commission (PUC) regarding its pass through charge increases for its pumpage, import, and surface water fees related to its Certificate of Convenience and Necessity (CCN) No. 12892 in Montgomery, Liberty, and Harris Counties.

The Applicant received notice from the San Jacinto River Authority (SJRA) of an increase to its pumpage and import fees of \$2.50 to \$2.64 per 1,000 gallons based on the SJRA Groundwater Reduction Plan (GRP). The SJRA GRP pumpage and import fees will be charged to all customers within the twenty subdivisions noted in the Applicant's tariff and are adjusted for a line loss of 8.2%. The increase resulted from the SJRA GRP annual adjustment, *Notice of Amended Rate Order for GRP Participants*, effective September 1, 2017. The increases in the pumpage and import fees result in pass through charge increases for gallons pumped from wells of \$0.07 per 1,000 gallons, or from \$2.81 to \$2.88.

On August 21, 2017, Commission Advising and Docket Management (CADM) filed a *Notice Finding Application Deficient and Establishing Deadlines* requiring the Applicant to prepare a revised notice of the proposed pass-through rate increase that is consistent with Commission Staff's August 18, 2017 recommendation and submit a copy of its revised notice to the Commission for consideration.

Staff reviewed the application and new notice and has determined that both meet the requirements of 16 Tex. Admin. Code (TAC) §24.21. Staff recommends that the application be accepted for filing, approved, and that the Commission provide the Applicant a copy of the attached tariff.