



Control Number: 47625



Item Number: 12

Addendum StartPage: 0

DOCKET NO. 47625

APPLICATION OF CYPRESSWOOD §
ESTATES WATER SYSTEM FOR A §
PASS-THROUGH RATE CHANGE §

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2018 JAN 31 PM 4:45
PUBLIC UTILITY COMMISSION
OF TEXAS
FILED

**ORDER APPROVING INTERIM RATE AND
PROVIDING FURTHER INSTRUCTION**

I. Background

A. The Application

This Order addresses the September 20, 2017 application of Cypresswood Estates Water System for approval of a pass-through rate increase due to an increase in fees imposed on the utility by the San Jacinto River Authority (SJRA) for the utility's participation in SJRA's Groundwater Reduction Plan. The pass-through pumpage fee charged by SJRA of \$2.64 per 1,000 gallons, was effective September 1, 2017. Cypresswood proposed to pass through the annual cost, based on historical gallons pumped from the well and the new effective rate, as a flat monthly rate of \$26.36 per connection.

B. Remand Order

Commission Staff recommended that Cypresswood be denied a pass-through rate change, but in the alternative, be approved to implement a \$26.36 surcharge per connection per month effective September 1, 2017 and ending August 31, 2018. An order with Commission Staff's recommendation was considered by the Commission at the January 25, 2018 Open Meeting. The Commission voted to remand the docket to the administrative law judge for the ALJ to order an interim rate in the amount of \$26.36 per month beginning on the next billing for the pass-through of the SJRA fee. The Commission also ordered the ALJ to instruct the parties to take steps to move Cypresswood to a more fiscally viable state.

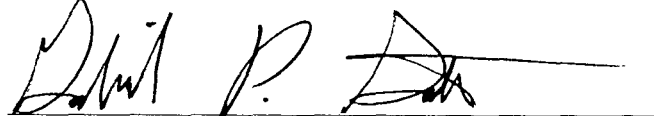
In accordance with the January 26, 2018 Order Remanding Proceeding to ALJ, an interim pass-through rate in the amount of \$26.36 per connection per month, effective for Cypresswood's next billing cycle, is approved. Tariff pages for Cypresswood are attached to this Order.

II. Further Instruction

In accordance with the order on remand, the parties are ordered to determine the total amount due to the SJRA, including past-due payments, penalties, and any interest owed. Cypresswood is encouraged to work with SJRA on minimizing the penalties and interest it owes and Commission Staff should provide as much assistance as they are able. When the total amount owed has been calculated, an appropriate rate should be proposed to provide for the ongoing fees and the recovery of all arrears over a reasonable period of time that takes into account the burden on Cypresswood's customers. Once that proposed rate has been determined, Cypresswood will be required to issue a new notice to their customers of this enhanced rate to recover the entirety of its debt to SJRA. No later than February 15, 2018, the parties shall propose a procedural schedule for further processing of this docket.

Signed at Austin, Texas the 31st day of January 2018.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'Gabriel P. Soto', is written over a horizontal line.

GABRIEL P. SOTO
ADMINISTRATIVE LAW JUDGE



WATER UTILITY TARIFF
Docket No. 47625

Drew T. Spencer dba Cypresswood Estates Water System
(Utility Name)

P.O. Box 2302
(Business Address)

Conroe, TX 77305
(City, State, Zip Code)

(409) 760-3111
(Area Code-Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

12498

This tariff is effective in the following counties:

Montgomery

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Cypresswood Estates (PWS #1700301)

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	4
SECTION 3.0 -- EXTENSION POLICY	11

APPENDIX A - DROUGHT CONTINGENCY PLAN
APPENDIX B - SAMPLE SERVICE AGREEMENT
APPENDIX C - APPLICATION FOR SERVICE

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Flat Rate</u>
Same for all meter sizes	<u>\$15.00</u>

*Additional Surcharge Fee

San Jacinto River Authority (SJRA) Fee.....\$26.36 per connection/per month
(Docket No. 47625)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash ☒ Check ☒ Money Order ☐ Credit Card ☐ Other (specify) ☐
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT
PAYMENTS MADE USING MORE THAN \$1 00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN
FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY
BILL AND TO REMIT FEE TO THE TCEQ

Section 1.02 — Miscellaneous Fees

TAP FEE\$300.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF
LISTED ON THIS TARIFF

METER TEST FEE.....N/A
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER
REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE
METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25

RECONNECTION FEE
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO
HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER
SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00)N/A
- b) Customer's request that service be disconnected.....N/A

LATE CHARGEN/A
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS A LATE CHARGE
MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS
BILLING.

RETURNED CHECK CHARGE.....N/A
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....N/A

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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Flat Rate</u>
Same for all meter sizes	<u>\$10.00</u>

*Additional Surcharge Fee

San Jacinto River Authority (SJRA) Fee\$26.36 per connection/per month
(Docket No. 47625)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order __, Credit Card __, Other (specify) _____
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT
PAYMENTS MADE USING MORE THAN \$1 00 IN SMALL COINS A WRITTEN RECEIPT WILL BE GIVEN
FOR CASH PAYMENTS.

REGULATORY ASSESSMENT1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY
BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 -- Miscellaneous Fees

TAP FEE\$75.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
RESIDENTIAL 5/8" or 3/4" METER AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF
LISTED ON THIS TARIFF

METER TEST FEE.....N/A
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER
REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE
METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RECONNECTION FEE
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RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)N/A