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Control Number: 47664

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Item Number: 14

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# DOCKET NO. 47664EECENTED2017 DEC 11 AMIL: 47APPLICATION OF CHUCK BELLSWATER SYSTEMS LLC FOR A PRICEINDEX RATE ADJUSTMENT§OF TEXAS

#### **NOTICE OF APPROVAL**

This Notice addresses the application of Chuck Bell Water Systems LLC for a price index rate adjustment. Commission Staff recommends approval of the application. The application as amended is approved.

The Commission adopts the following findings of fact and conclusions of law:

#### I. Findings of Fact

#### **Procedural History**

- On October 3, 2017, Chuck Bell filed an application for a Class C rate adjustment under Texas Water Code (TWC) § 13.1872 and 16 Texas Administrative Code (TAC) § 24.36.
- 2. On November 3, 2017, Commission Staff recommended that the application be deemed administratively complete and recommended approval. Commission Staff provided tariff pages and a revised notice, reflecting a January 1, 2018 effective date, for the applicant to use.
- On November 6, 2017, Commission Staff supplemented the recommendation to include Water Utility Staff's memorandum and recommendation that was inadvertently left out of the November 3, 2017 filing.
- 4. On November 6, 2017, Order No. 2 was issued finding the application administratively complete.
- 5. On November 6, 2017, Chuck Bell filed an amendment to the tariff changing the one-time late charge on delinquent bills from \$5.00 to 10%.
- 6. On November 7, 2017, Order No. 3 was issued requesting clarification on whether Stonefield Water System should be included as a water system affected by the proposed tariff.

- 7. On November 10, 2017, Commission Staff filed a supplemental recommendation for approval of Chuck Bell's tariff as amended and filed on November 6, 2017. In addition, Staff clarified that Stonefield Water System is inactive and will not be affected by the tariff. Commission Staff confirmed by Texas Commission on Environmental Quality records that Crowley II Acre Subdivision and Stonefield Water System merged into one and the inclusion of Stonefield Water System was an error. Commission Staff attached a revised tariff.
- 8. On November 16, 2017, Order No. 4 was issued requesting clarification on missing information in the tariff.
- 9. On November 20, 2017, Chuck Bell filed a response to Order No. 4.
- 10. On November 22, 2017, Chuck Bell filed a statement that notice would be issued on December 1, 2017 and included a copy of the revised notice.
- 11. On December 6, 2017, Commission Staff filed a revised tariff correcting page numbers.
- 12. The revised tariff discussed in Finding of Fact No. 11 is attached to this Notice.

#### **Rate Adjustment Requested**

- 13. Chuck Bell requested an adjustment to its water tariff base rate (monthly meter charge) and its monthly gallonage rate based on the Commission's current price index of 1.57%.
- 14. The rate adjustment will affect ratepayers of Bear Creek Estates, Bell Manor Subdivision, Buffalo Creek, Crowley II Acre Subdivision, John Dame, Martin Creek Estates, Rock Creek Estates, and Sanders View Subdivision.
- 15. Chuck Bell requested an effective date of November 1, 2017.
- 16. Commission Staff recommended a January 1, 2018, effective date for Chuck Bell's requested rate adjustment to coincide with the appropriate billing cycle and that Chuck Bell be required to resend notice using the amended notice provided by Commission Staff no later than December 2, 2017, to satisfy the 30-day noticing requirement of 16 TAC § 24.36(e).

## II. Conclusions of Law

- 1. The Commission has jurisdiction over this proceeding under TWC §§ 13.041 and 13.1872.
- 2. Chuck Bell is a utility as that term is defined in TWC § 13.002(23) and is a Class C utility under TWC § 13.002(4-c), which defines a Class C utility as one that provides retail water utility service through fewer than 500 taps or connections.
- 3. Consistent with TWC § 13.1872(e), a Class C utility is allowed to receive, without a hearing, an annual rate adjustment based on changes in the price index, as that term is defined in TWC § 13.1872(b).
- 4. The Commission-approved price index for calendar year 2017 is 1.57%.<sup>1</sup>
- 5. The application was processed in accordance with the requirements of the TWC and the Commission's rules.
- 6. Chuck Bell is entitled to approval of the price index rate adjustment requested in the application, having demonstrated that the requirements of TWC § 13.1872 and 16 TAC § 24.36 have been satisfied.
- 7. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

# **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

- 1. Chuck Bell Water Systems LLC's application, as amended, is approved.
- 2. Chuck Bell's new rates may go into effect on or after January 1, 2018.
- 3. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are denied.

<sup>&</sup>lt;sup>1</sup> Setting Price Index for Calendar Year 2017, Project No. 45320, Order (Dec. 1, 2016).

Signed at Austin, Texas the 1174 day of December 2017.

PUBLIC UTILITY COMMISSION OF TEXAS aGABRIEL P. SOTO

ADMINISTRATIVE LAW JUDGE

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# WATER UTILITY TARIFF Docket Number 47664

Chuck Bell dba Chuck Bell Water Systems LLC (Utility Name)

P.O. Box 731 (Business Address)

Crowley, Texas 76036 (City, State, Zip Code)

(817) 980-6394 (Area Code Telephone)

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

#### <u>12190</u>

This tariff is effective in the following counties:

Johnson and Tarrant

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

None

This tariff is effective in the following subdivisions and public water systems:

See attached list.

#### 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):

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# This tariff is effective in the following Subdivisions or Systems:

SUBDIVISION	PWS ID NUMBER	COUNTY
Bear Creek Estates	2200336	Tarrant
Bell Manor Subdivision	1260080	Johnson
Buffalo Creek	1260084	Johnson
Crowley II Acre Subdivision, Stonefield Subdivision	1260012	Johnson
John Dame	1260090	Johnson
Martin Creek Estates	1260122	Johnson
Rock Creek Estates	1260082	Johnson
Sanders View Subdivision	1260086	Johnson

Water Utility Tariff Page No. 2

# SECTION 1.0 -- RATE SCHEDULE

Section	1.01 -	Rates

<u>Meter Size</u> 5/8" x <sup>3</sup> /4" 3/4" 1" 1 <sup>1</sup> / <sub>2</sub> " 2"	<u>Monthly Minimum Charge</u> (including 0 gallons) <u>\$41.27</u> <u>\$61.90</u> <u>\$103.16</u> <u>\$206.33</u> <u>\$330.12</u>	<u>\$3.60</u> per 1,0	Gallonage Charge	
Additional Gallonage Purchased Water Fee (Bell Manor Subdivision	es for Johnson County Special Utility Di	strict	<u>\$2.51/1000 gallons</u>	
	e for Prairielands Groundwater Conserv ept Bear Creek Estates in Tarrant County)	ation District	\$0.24/1,000 gallons	
Capital Improvement	t Surcharge for 72 months, Effective Ma	arch 5, 2012	<u>\$5.65 per connection</u>	
FORM OF PAYMENT: The utility will accept the following forms of payment: Cash <u>X</u> , Check <u>X</u> , Money Order <u>X</u> , Credit Card <u></u> , 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				
Section 1.02 - Misce	llaneous Fees			
TAP FEE COVE RESIDENTIAL 5	ERS THE UTILITY'S COSTS FOR MATERIALS 5'8" or 3'4" METER. AN ADDITIONAL FEE TO S TARIFF.	AND LABOR TO	O INSTALL A STANDARD	
TAP FEE (Unique co FOR EXAMPLE,	osts) , A ROAD BORE FOR CUSTOMERS OUTSIDE OI	SUBDIVISIONS	OR RESIDENTIAL AREAS	
TAP FEE (Large me TAP FEE IS THE	eter) E UTILITY'S ACTUAL COST FOR MATERIALS A	ND LABOR FOR	METER SIZE INSTALLED.	

(Utility Name)

#### SECTION 1.0 -- RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE
RETURNED CHECK ('HARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST

#### **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)<sup>°</sup>

- a) Non-payment of bill (Maximum \$25.00) ......
- b) Customer's request that service be disconnected ......<u>\$60.00</u>
- c) After Hours Reconnect Fee.....<u>\$35.00</u> If after a customer has been notified that an after-hours charge will be assessed and the customer still chooses to have service connected after 5:00 p.m. instead of waiting until the next business day, the utility can charge an after-hours charge in addition to the normal fee; however, the total charge cannot exceed \$60.00. If service is required to be restored within 36 hours pursuant to 16 TAC 24.88(h)(1) the utility cannot charge the additional fee after the expiration of the first 24 hours following the payment of a disconnected delinquent account. If the customer requests to have the service reconnected after normal business hours within the first 24 hours following payment, the additional fee may be charged.

RECONNECT FEE. The Utility shall charge a reconnect fee of \$25.00 for reconnecting service during normal weekday business hours. A surcharge of \$35.00 may be charged when the customer requests service to be reconnected after 5:00pm on business days, weekends and holidays, subject to 16 TAC 24.88(h). The customer must be advised that this additional fee will be charged and given an opportunity to decline the service at the time the "after hours" reconnect request is originally made.

#### SECTION 1.0 -- RATE SCHEDULE (Continued)

#### GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE: WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24 21(b)(2)(F)]

#### LINE EXTENSION AND CONSTRUCTION CHARGES: REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE

#### PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

AG=G + B/(1-L), where: AG= adjusted gallonage charge, rounded to the nearest one cent: G= approved gallonage charge (per 1,000 gallons); B=change in purchased water/district gallonage charge (per 1,000 gallons); L=system average line loss for preceding 12 months not to exceed 0.15

FRANCHISE FEE ASSESSMENT. Franchise fees levied by a municipality may be passed through to those customers inside the city generating the revenues upon which the franchise fee is calculated. Implementation of this pass through clause shall be subject to the notice and approval process of the city having original jurisdiction over these fees. Franchise fees may not be passed through or allocated to utility customers outside the municipality.

EASEMENTS. Pursuant to 16 TAC. 24.85(d), easements from customers may be required as a precondition of service when:

- (1) Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the property of a service applicant, the public utility may require the service applicant or land owner to grant a permanent recorded public easement dedicated to the public utility to construct, install, maintain, inspect and test water and/or sewer facilities necessary to serve the applicant.
- (2) As a condition of service to a new subdivision, public utilities may require developers to provide permanent recorded public utility easements to and throughout the subdivision sufficient to construct, install, maintain, inspect, and test water and/or sewer facilities necessary to serve the subdivision's anticipated service demands upon full occupancy.

#### SECTION 2.0 -- SERVICE RULES AND POLICIES

#### Section 2.01 – Public Utility Commission of Texas Rules

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or commission approved changes to the Rules supersede any rules or requirements in this tariff.

#### Section 2.02 - Application for and Provision of Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

#### Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

#### Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

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#### SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

<u>Refund of deposit</u>. - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

#### Section 2.05 - Meter Requirements, Readings, and Testing

All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers. One meter is required for each residential, commercial, or industrial connection.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

<u>Meter tests</u>. - The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

#### Section 2.06 - Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

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#### SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the commission.

#### Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

#### Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

#### Section 2.09 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

#### SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

**<u>Prorated Bills</u>** - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

#### Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

#### Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the Commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

Chuck Bell dba Chuck Bell Water Systems LLC (Utility Name)

#### SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND POLICIES

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

#### SECTION 3.0--EXTENSION POLICY

#### Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction <u>may</u> <u>not be required</u> of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

COSTS THE UTILITIES SHALL BEAR: Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with TCEQ's Rules and Regulations for Public Water Systems.

#### SECTION 3.20—SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

# APPENDIX A – DROUGHT CONTINGENCY PLAN

(This page incorporates by reference the utility's Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.)

# APPENDIX B – SAMPLE SERVICE AGREEMENT (Utility Must Attach Blank Copy)

APPENDIX C - APPLICATION FOR SERVICE (Utility Must Attach Blank Copy)

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