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DOCKET NO. 47684

RECEIVED

APPLICATION OF CHUCK BELL
WATER SYSTEMS, L.L.C. FOR
APPROVAL OF A SAMPLING FEE
SURCHARGE

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PUBLIC UTILITY COMMISSION

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PUBLIC UTILITY COMMISSION
OF TEXAS
FILING 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, recommending that the Application be approved. In support thereof, Staff shows the following:

I. BACKGROUND

On October 11, 2017, Chuck Bell Water Systems (Applicant) filed an application for a sampling fee surcharge. Applicant proposed to impose the surcharge during the December 2017 billing cycle for a period of one month only on customers in the following subdivisions: Bell Manor PWS# 1260080, Rock Creek PWS# 1260082, Buffalo Creek PWS#1260084, Crowley II Acres PWS# 1260012, Martin Creek PWS# 1260122, and Bear Creek PWS #2200336.

On October 13, 2017, the Commission Administrative Law Judge (ALJ) issued a Notice Requiring Staff's Recommendation, requiring that on or before November 3, 2017, Staff file a recommendation on the application, or propose a procedural schedule if necessary. Therefore, this pleading is timely filed.

II. RECOMMENDATION

Staff has reviewed the Application and, based on the attached memorandum of Leila Guerrero of the Commission's Water Utility Division, recommends that the Application be approved by Staff pursuant to 16 Tex. Admin. Code (TAC) § 24.21(b)(2)(F)(ii)(I). Under that provision, if expressly authorized in writing by the Commission, a utility may collect the actual increase in costs for sampling fees not already included in rates over a specifically authorized period without being listed on the utility's approved tariff. The attached memorandum of Leila Guerrero states the Application satisfies the requirements of 16 TAC § 24.21(b)(2)(F)(ii)(I), and that the proposed surcharge are for expenses Applicant has already incurred. Therefore, Staff

recommends that the Applicant be allowed to collect the surcharge asked for in the application. The surcharge exclude the costs of routine activities already included in the current rates. Additionally, consistent with the attached memorandum, Staff also recommends that customers be provided notice of the surcharge in the December billing cycle affected by this application, and that Applicant must not collect more than the expenses incurred by the water sampling.

III. CONCLUSION

Staff respectfully requests that the ALJ issue an Order consistent with this recommendation.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on November 2, 2017 in accordance with 16 TAC § 22.74.


Joshua Adam Barron

Public Utility Commission of Texas

Interoffice Memorandum

TO: Joshua Barron, Attorney
Legal Division

THRU: Tammy Benter, Director
Debi Loockerman, Financial Manager
Water Utility Regulation

FROM: Leila Guerrero, Regulatory Accountant/Auditor
Water Utility Regulation

DATE: October 18, 2017

SUBJECT: **Tariff Control No. 47684**, *Application of Chuck Bell Water Systems L.L.C. for Approval of a Sampling Fee Surcharge*

On October 11, 2017, Chuck Bell Water Systems L.L.C. ("Chuck Bell" or "Applicant"), water Certificate of Convenience and Necessity (CCN) No. 12190, in Johnson County, Texas, filed an application for a sampling fees surcharge to affected customers in Bell Manor PWS# 1260080, Rock Creek PWS# 1260082, Buffalo Creek PWS# 1260084, Crowley II Acres PWS# 1260012, Bear Creek PWS# 2200336, and Martin Creek PWS# 1260122. These fees are for Lead/Copper sampling.

Staff has reviewed the application pursuant to 16 Tex. Admin. Code § 24.21(b)(2)(F)(ii)(I) (TAC), which states that "If authorized by the commission or the municipality exercising original jurisdiction over the utility, a surcharge to recover the actual increase in costs to the utility may be collected over a specifically authorized time period without being listed on the approved tariff for:

(I) sampling fees not already recovered by rates;"

Based on Staff's review of the information in the application and the additional information, Staff finds the application comply with the requirements of 16 TAC § 24.21(b)(2)(F)(ii)(I). Therefore, Staff recommends the Commission do the following:

- a) Deem the application sufficient for filing;
- b) Approval of the sampling fees surcharge application authorizing the Applicant to collect the following fees:

1) Bell Manor	\$175.00/22 connections	\$7.95/ conn for (1) month
2) Rock Creek	\$175.00/40 connections	\$4.38/ conn for (1) month
3) Buffalo Creek	\$175.00/40 connections	\$4.38/ conn for (1) month
4) Crowley II Acres	\$175.00/90 connections	\$1.94/ conn for (1) month
5) Martin Creek	\$175.00/26 connections	\$6.73/ conn for (1) month
6) Bear Creek	\$175.00/20 connections	\$8.75/ conn for (1) month

- c) The first bill that the Applicant sends out that includes the surcharge should include a short statement as follows:

"A sampling surcharge has been approved by the Public Utility Commission of Texas (PUC) to cover sampling fees incurred by the utility and required by the Safe Drinking Water Act."; and

- d) The Commission's order should include language noting that the Applicant is not authorized to collect more than the total approved amounts stated in paragraphs (b)(1) through (6) above.