



Control Number: 47757



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<b>APPLICATION OF MSEC ENTERPRISES, INC. FOR A PASS- THROUGH RATE CHANGE</b>	§ § § §	<b>PUBLIC UTILITY COMMISSION OF TEXAS</b> <small>PUBLIC UTILITY COMMISSION FILING CLERK</small>
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**COMMISSION STAFF’S AMENDED FINAL RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff’s Amended Final Recommendation and would show the following:

**I. BACKGROUND**

On November 3, 2017, MSEC Enterprises, Inc. (MSEC), filed an application pursuant to Tex. Admin. Code § 24.21 (TAC) with the Public Utility Commission of Texas (Commission) to implement a water pass-through provision for Certificate of Convenience and Necessity (CCN) No. 12887 in Montgomery County. MSEC is under the jurisdiction of the Lone Star Groundwater Conservation District (LSGCD). Beginning January 1, 2018, LSGCD will be increasing the Water Use Fee it charges MSEC. MSEC filed this application to recover the increase in the water use fee imposed upon them by LSGCD.

On November 8, 2017, the Administrative Law Judge (ALJ) issued an order setting November 27, 2017 as the deadline for Staff to file a recommendation on MSEC’s application, sufficiency of notice and propose a procedural schedule.

On November 27, 2017, Staff filed a recommendation on MSEC’s application, sufficiency of notice and proposed a procedural schedule, but inadvertently forgot to attach the revised tariff.

**II. STAFF’S AMENDED RECOMMENDATION**

This pleading includes the revised tariff associated with Docket No. 47757 and corrects the inadvertent exclusion of the tariff in Staff’s November 27, 2017 filing.

**III. CONCLUSION**

Staff respectfully requests that an order be issued consistent with this Recommendation.

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Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
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**DOCKET NO. 47757  
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on November 29, 2017 in accordance with 16 TAC § 22.74.



Joshua Adam Barron



**WATER UTILITY TARIFF**  
**Tariff Control Number: 47757**

MSEC Enterprises, Inc.  
(Utility Name)

P.O. Box 970  
(Business Address)

Navasota, Texas 77868-0970  
(City, State, Zip Code)

(936) 825-5100  
(Area Code/Telephone)

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

12887

This tariff is effective in the following counties:

Grimes and 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:

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):

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

Capitol Hills	1700638
Crown Oaks	1700638
Crown Ranch	1700781
Grand Lakes Estates	1700638
Highland Ranch	1700638
Hills of Montgomery	1700638
Lake Forest Lodge	1700638
Lake Forest Lodge South	1700638
Legacy Creek Estates	1700638
Lakeview	1700638
Oaklawn Estates	1700638
Old Kentucky Farms	1700638
Montgomery Trace	1700638
Ridge Lake Shores	1700638
Stillwater Estates	1700677
Valleywood Acres	1700638
Woodforest	1700638
Woodforest Golf Course	1700638

**SECTION 1.0 -- RATE SCHEDULE**

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$33.00 (Includes 0 gallons all meters)	\$3.25 per 1000 gallons, 1 <sup>st</sup> 10,000 gallons
1"	\$56.00	\$3.45 per 1000 gallons, next 10,000 gallons
1½"	\$200.00	\$3.70 per 1000 gallons over 20,000 gallons
2"	\$320.00	
3"	\$375.00	

Lone Star Groundwater Conservation District (GCD)..... \*\$0.12 per 1000 gallons  
*(Tariff Control No. 47757)*

San Jacinto River Authority (SJRA) ..... \*\$2.93 per 1000 gallons  
 \*(The pass through fees are adjusted for line loss) *(Tariff Control No. 47465)*

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

Cash X, Check X, Money Order X, Credit Card X, 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 THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$1,200.00  
 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.

TAP FEE (Unique costs)..... Actual Cost  
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter)..... Actual Cost  
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER TEST FEE ..... \$25.00  
 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.

**SECTION 1.0 -- RATE SCHEDULE (CONT.)**

**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) Non-payment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request that service be disconnected..... \$25.00

**TRANSFER FEE** ..... \$25.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

**LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)**..... 10%

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** ..... \$25.00

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

**CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)** ..... \$50.00

**COMMERCIAL & NON-RESIDENTIAL DEPOSIT** ..... 1/6TH OF ESTIMATED ANNUAL BILL

**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. [§24.21(K)(2)]

**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 the preceding 12 months not to exceed 0.15