



Control Number: 47757



Item Number: 5

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PUBLIC UTILITY COMMISSION

**Public Utility Commission of Texas**

**TO: Ty Embrey**  
**Attorney for MSEC Enterprises, Inc.**  
**816 Congress Avenue, Suite 1900**  
**Austin, Texas 78701**

**Commission Staff – Water Utility Regulation**  
**Commission Staff – Legal Division**

**RE: Tariff Control No. 47757 – Application of MSEC Enterprises, Inc. for a Pass-Through Rate Change**

**NOTICE OF APPROVAL**

This Notice addresses MSEC Enterprises, Inc.'s application for a pass-through rate to recover the increase in the water use fee imposed on the utility by the Lone Star Groundwater Conservation District beginning January 1, 2018. The pass-through rate affects several subdivisions in Grimes and Montgomery Counties. MSEC's requested effective date for the pass-through rate change is also January 1, 2018.

On November 27, 2017, Commission Staff filed a recommendation for approval of MSEC's requested pass-through rate of \$0.12 per 1,000 gallons, effective January 1, 2018, consistent with the attached memorandum of Jolie Mathis of the Commission's Water Utility Regulation Division.

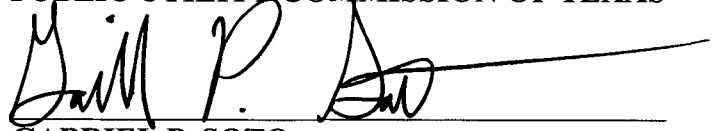
Consistent with Commission Staff's recommendation, MSEC's application and tariff with the new pass-through rate of \$0.12 per 1,000 gallons is approved effective January 1, 2018. The approved tariff pages for MSEC are attached to this Notice.



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Signed at Austin, Texas the 1st day of December 2017.

**PUBLIC UTILITY COMMISSION OF TEXAS**

A handwritten signature in black ink, appearing to read "Gabriel P. Soto", is written over a horizontal line. The signature is stylized and extends to the right of the line.

**GABRIEL P. SOTO**  
**ADMINISTRATIVE LAW JUDGE**

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**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

**Tariff Control No. 47757**

**SECTION 1.0 -- RATE SCHEDULE**

**Section 1.01 - Rates**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge 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