



Control Number: 47774



Item Number: 3

Addendum StartPage: 0

**TARIFF CONTROL NO. 47774**

**APPLICATION OF WOODLAND  
OAKS UTILITY COMPANY, INC.  
FOR A PASS-THROUGH RATE  
CHANGE**

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§  
§

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

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### **COMMISSION STAFF'S RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Recommendation. In support thereof, Staff would show the following:

#### **I. BACKGROUND**

On November 13, 2017, Woodland Oaks Utility Company, Inc. (Woodland Oaks), Certificate of Convenience and Necessity No. 10348, filed an application for a pass-through rate change pursuant to 16 Tex. Admin. Code § 24.21 (TAC). Specifically, Woodland Oaks requested approval of a pass-through rate increase to recover the increase of the water use fee to be imposed on the utility by the Lone Star Groundwater Conservation District (LSGCD) beginning January 1, 2018. Woodland Oaks's proposed effective date is January 1, 2018.

Notice Setting Deadline for Staff's Recommendation, issued on November 15, 2017, required Staff to file a recommendation by December 4, 2017. This pleading is timely filed.

#### **II. STAFF'S RECOMMENDATIONS**

Staff has reviewed Woodland Oaks's application and proposed notice in light of the requirements of 16 TAC § 24.21(b)(2)(E) and determined they comply with the applicable rules. Staff recommends both be deemed sufficient. Furthermore, as supported by the attached memorandum of Brannon Pennick of the Commission's Water Utility Regulation Division, Staff recommends approval of Woodland Oaks's application for a pass-through rate increase. Staff also recommends that Woodland Oaks be provided a copy of the updated tariff and that an order granting the application contain the following language: "If Woodland Oaks collects an amount as a result of the proposed rate increase that is higher than the fees charged by LSGCD, then Woodland Oaks must refund any amounts collected in excess of the charges made to Woodland Oaks Utility Company, Inc. by LSGCD for the expenses passed through."

### **III. COMMENTS ON PROCEDURAL SCHEDULE**

In accordance with the recommendation for approval of Woodland Oaks's pass-through rate increase, Staff does not propose a procedural schedule.

### **IV. CONCLUSION**

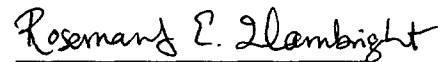
Staff recommends approval of Woodland Oaks's application for a pass-through rate change.

Respectfully Submitted,

#### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Stephen Mack  
Managing Attorney

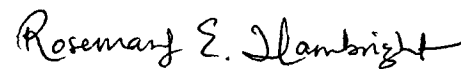


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**TARIFF CONTROL NO. 47774**

### **CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 4, 2017, in accordance with 16 TAC § 22.74.

  
Rosemary E. Hambright

# **Public Utility Commission of Texas**

## **Memorandum**

**To:** Rosemary Hambright, Attorney  
Legal Division

**Thru:** Tammy Benter, Director  
Debi Loockerman, Financial Manager  
Water Utility Regulation Division

**From:** Brannon Pennick, Engineer  
Water Utility Regulation Division

**Date:** November 30, 2017

**Subject:** **Tariff Control No. 47774; *Application of Woodland Oaks Utility Company, Inc. for a Pass-Through Rate Change***

On November 13, 2017, Woodland Oaks Utility Company, Inc. (Woodland Oaks or Applicant), Certificate of Convenience and Necessity (CCN) No. 12947, filed an application with the Public Utility Commission of Texas (Commission) to implement an adjustment to one of its pass-through fees pursuant to 16 Tex. Admin. Code § 24.21. The pass-through adjustment is for 2018 mandatory pumpage fees billed by the Lone Star Groundwater Conservation District (LSGCD) as part of the Groundwater Reduction Plan. Woodland Oaks serves the subdivisions Woodland Oaks and Forest West.

LSGCD's rate increase will be effective on January 1, 2018. Woodland Oaks provided calculations and requests an increase of their current LSGCD pass-through to \$0.12 per 1,000 gallons per month.

Staff recommends that the Commission:

- 1) Deem the application sufficient for filing;
- 2) Approve the pass-through increase requested in the application;
- 3) Provide a copy of the approved tariff to the Applicant (attached);
- 4) Include the following language in the order: "If Woodland Oaks collects an amount as a result of the proposed rate increase that is higher than the fees charged by LSGCD, then Woodland Oaks must refund any amounts collected in excess of the charges made to Woodland Oaks Utility Company, Inc. by LSGCD for the expenses passed through."



**WATER UTILITY TARIFF**  
**Tariff Control Number: 47774**

Woodland Oaks Utility Company, Inc.  
(Utility Name)

P.O. Box 247  
(Business Address)

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

(936)539-1232  
(Area Code/Telephone)

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

12947

This tariff is effective in the following county:

Montgomery

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

None

This tariff is effective in the following subdivisions and water quality permit numbers:

Woodland Oaks and Forest West (PWS #1700648)

**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 .....	5
SECTION 3.0 -- EXTENSION POLICY .....	12

APPENDIX A -- DROUGHT CONTINGENCY PLAN  
APPENDIX B -- SAMPLE SERVICE AGREEMENT

SECTION 1.0 - RATE SCHEDULE

**Monthly Minimum Charges**

(Includes 0 gallons)

Residential	Effective 5/26/2011	Effective 5/26/2012
Meter Size		
5/8" x 3/4"	\$30.64	\$36.28
3/4"	\$39.71	\$54.42
1"	\$82.85	\$90.70
1 1/2"	\$165.70	\$181.40
2"	\$242.12	\$290.24
3"	\$422.10	\$544.20
4"	\$769.20	\$1,088.40

**Commercial customers are required to have a minimum 1" meter connection.**

**Gallage Charge**

\$2.58	per 1,000 gallons from 0 to 10,000 gallons
\$3.33	per 1,000 gallons from 10,001 gallons thereafter

**Pass Through Fees:**

In addition to the gallonage charge, the Lone Star Groundwater Conservation District (LSGCD) Pumpage fee of \$0.12 per 1,000 gallons used will be charged to all ratepayers within the boundaries of LSGCD.

***Tariff Control No. 47774***

In addition to the gallonage charge, the San Jacinto River Authority (SJRA) Groundwater Reduction Plan fee of \$3.00 per 1,000 gallons used will be charged to all ratepayers affected by the SJRA Groundwater Reduction Plan.

***Tariff Control No. 47383***

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

Cash\_\_\_\_, Check X, Money Order X, 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 REMIT THE FEE TO THE TCEQ.

TAP FEE..... \$500.00 (Residential)  
\$1,000.00 (Commercial)

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.

**Tariff Control Number: 47774**

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

Section 1.02 - Miscellaneous Fees

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 RELOCATION FEE ..... ACTUAL COST TO RELOCATE METER  
NOT TO EXCEED TAP FEE  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

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.

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) ..... \$25.00  
b) Customer's request that service be disconnected ..... \$25.00

TRANSFER FEE ..... \$40.00  
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 ..... \$30.00  
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

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE**

WHEN AUTHORIZED IN WRITING BY PUC 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 the preceding 12 months not to exceed 0.15

To implement or modify the pass through provision, the utility must comply with all notice and other requirements of 30 TAC 24.21(h).