



Control Number: 47999



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DOCKET NO. 47999

RECEIVED

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

2018 MAR 19 AM 9:56  
PUBLIC UTILITY COMMISSION

PUBLIC UTILITY COMMISSION  
OF TEXAS  
FILING CLERK

### 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 Amended Final Recommendation. In support thereof, Staff shows the following:

#### I. BACKGROUND

On January 30, 2018, Chuck Bell Water Systems (Applicant) filed an application for a sampling fee surcharge. Applicant proposed to impose the surcharge during the March 2018 billing cycle for a period of one month only on customers in the following subdivisions: Bell Manor, Rock Creek, Buffalo Creek, Crowley II Acres, Sandersview, John Dame, and Martin Creek.

On February 27, 2018, Staff filed its Final Recommendation, recommending that the Applicant be able to collect only a portion of the proposed surcharge.

On March 5, 2018, Applicant filed supplemental documents, requesting to collect certain water sampling fees that were not recommended by Staff in its Final Recommendation.

#### II. AMENDED RECOMMENDATION

Staff has reviewed the supplemental documents filed by the applicant, and based on the attached memorandum of Kathryn Eiland of the Commission's Water Utility Division, Staff recommends that the Applicant should be entitled to collect the surcharges as laid out in a table titled "Summary of Staff Recommended Surcharges" in Staff's Memo.

#### III. CONCLUSION

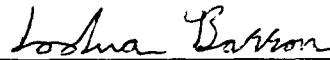
Staff respectfully requests that the ALJ issue an Order allowing the applicant to collect surcharges as laid out in Staff's Memo.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

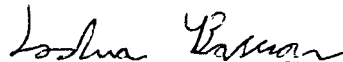


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on March 19, 2018 in accordance with 16 TAC § 22.74.



Joshua Adam Barron

# **Public Utility Commission of Texas**

## **Interoffice Memorandum**

**TO:** Joshua Barron, Attorney  
Legal Division

**THRU:** Debi Loockerman, Financial Manager  
Water Utility Regulation Division

**FROM:** Kathryn Eiland, Financial Analyst  
Water Utility Regulation Division

**DATE:** March 11, 2018

**SUBJECT:** **Tariff Control No. 47999**, *Application of Chuck Bell Water Systems LLC for Approval of a Sampling Fee Surcharge*

On January 30, 2018, Chuck Bell Water Systems L.L.C. (Applicant), Certificate of Convenience and Necessity (CCN) No. 12190, filed an application for a sampling fee surcharge to affected customers in the following subdivisions: Bell Manor, Rock Creek, Buffalo Creek, Sandersview, Crowley II Acres, John Dame, and Martin Creek.

Pursuant to Texas Administrative Code § 24.21(b)(2)(G)(ii), 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 sampling fees not already recovered by rates.

Staff originally reviewed the application and determined that the Applicant requested to recover certain water sampling costs should be denied since these costs should already have been included in the cost of providing service and they are routine activities completed once per year. These costs included Total Nitrate, Minerals, Metals and Volatile Organic Chemicals for all water systems listed above in addition to Synthetic Organics Contaminants for the Sandersview system. Staff previously recommended approval of a sampling fee surcharge for testing costs that were not performed on a yearly basis.

The Applicant has since provided additional information and attested that only the cost of Nitrate testing was included in their previous cost of service and the Applicant has not had a chance to include costs for the other four tests in a rate case cost of service. The Applicant is requesting that the charges be allowed since the water system is a small system and has not been compensated through any other avenues.

Based upon review of the application and supplemental information, Staff recommends the following:

- A) Approval of the sampling fee surcharge application authorizing the Applicant to collect the following fees to account for the disallowed costs described above:

### Summary of Staff Recommended Surcharges

<u>Subdivision</u>	<u>Requested</u>	<u>Connection Count</u>	<u>Total amount to be collected per connection</u>
<u>Bell Manor</u>	<u>\$314.28</u>	<u>23</u>	<u>\$13.66</u>
<u>Rock Creek</u>	<u>\$314.28</u>	<u>38</u>	<u>\$8.27</u>
<u>Buffalo Creek</u>	<u>\$314.28</u>	<u>48</u>	<u>\$6.55</u>
<u>Sandersview</u>	<u>\$576.69</u>	<u>29</u>	<u>\$19.89</u>
<u>Crowley II Acres</u>	<u>\$628.56</u>	<u>96</u>	<u>\$6.55</u>
<u>John Dame</u>	<u>\$628.56</u>	<u>50</u>	<u>\$12.57</u>
<u>Martin Creek</u>	<u>\$314.28</u>	<u>24</u>	<u>\$13.10</u>

- B) 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***

- C) The Commission’s order should include language noting that the Applicant is not authorized to collect more than the total approved amounts stated in the table included in paragraph (A) above.