



Control Number: 48019



Item Number: 4

Addendum StartPage: 0

**TARIFF CONTROL NO. 48019**

**APPLICATION OF COPANO §  
HEIGHTS WATER COMPANY FOR §  
PASS THROUGH RATE CHANGE §**

**RECEIVED**  
2018 FEB 27 AM 9:31  
**PUBLIC UTILITY COMMISSION**  
FILING CLERK  
**OF TEXAS**

### **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 February 5, 2018, Copano Heights Water Company (Copano Heights), certificate of convenience and necessity No. 11960 in Aransas county, filed an application for a pass-through rate change pursuant to 16 Texas Administrative Code (TAC) § 24.21. Specifically, Copano Heights requested approval of a pass-through rate increase to recover an increase in the wholesale water rate charged by the City of Rockport effective on February 15, 2018, and reflected on the April 1, 2018 billing, adjusted for water loss. Copano Heights proposed to begin charging the pass-through rate with the March 12, 2018 billing cycle. On February 22, 2018, Copano Heights filed amended notice to its customers and a request to change the formula in its tariff to correctly recover the amount charged by the City of Rockport.

Notice Setting Deadline for Staff's Recommendation, issued on February 8, 2018, required Staff to file a recommendation by February 27, 2017. This pleading is timely filed.

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

Staff has reviewed Copano Heights's application, notice, and supplemental filings in light of the requirements of 16 TAC § 24.21(b)(2)(E) and determined they comply with the applicable rules. Staff recommends the application and notice be deemed sufficient, and the application be accepted for filing. In addition, as supported by the attached memorandum of Kathryn Eiland of the Commission's Water Utility Regulation Division, Staff recommends approval of Copano Heights's application for a pass-through rate increase to be effective March 12, 2018, and its

requested change in equation. Staff also recommends that Copano Heights be provided a copy of the updated tariff, which is attached to Ms. Eiland's memorandum.

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

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

### **IV. CONCLUSION**

Staff recommends approval of Copano Heights's application for a pass-through rate change.

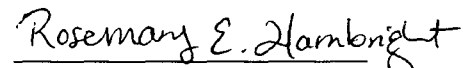
Dated: February 27, 2018

Respectfully Submitted,

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

Margaret Uhlig Pemberton  
Division Director

Stephen Mack  
Managing Attorney

  
Rosemary E. Hambright  
State Bar No. 24101856  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7230  
(512) 936-7268 (facsimile)  
Rosemary.Hambright@puc.texas.gov

**TARIFF CONTROL NO. 48019**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on February 27, 2018, in accordance with 16 TAC § 22.74.

Rosemary E. Hambright  
Rosemary E. Hambright

## PUC Interoffice Memorandum

---

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

**Thru:** Debi Loockerman, Financial Manager  
Water Utility Regulation

**From:** Kathryn Eiland, Financial Analyst  
Water Utility Regulation

**Date:** February 22, 2018

**Subject:** **Tariff Control No. 48019;** *Application of Copano Heights Water Company for Pass Through Rate Change*

On February 5, 2018, Copano Heights Water Company (Applicant), Certificate of Convenience and Necessity (CCN) No. 11960 in Aransas county, filed an application to implement a pass-through rate change due to an increase in purchased water fees assessed by the City of Rockport effective on February 15, 2018 and reflected on the April 1, 2018. The Applicant proposes to effect the pass-through rate increase during the March 12, 2018 billing cycle.

On February 22, 2018, the Applicant provided supplemental information and amended language in its notice to customers pursuant to 16 Texas Administrative Code (TAC) § 24.21. The Applicant also requested to change its formula in the tariff for its pass-through to the following:

$$R = G / (1 - L)$$

Where:

R = the proposed pass-through rate;

G = the new gallonage charge (per 1,000 gallons) by source supplier

L = the actual line loss for the preceding 12 months

Calculation for requested pass-through:

$$R = \$ 5.55 / (1 - 0.109855)$$

$$R = \$ 5.55 / 0.890145$$

$$R = \$ 6.234939 \text{ rounded to } \$6.23$$

$$R = \$ 6.23 \text{ (proposed charge per 1,000 gallons)}$$

Staff recommends that the Commission:

1. Deem the application sufficient for filing;
2. Approve the requested pass-through increase from \$5.64 to \$6.23 with an effective date of March 12, 2018;
3. Approve the requested change in equation to more correctly recover the amounts charged by the City of Rockport in accordance with 16 TAC § 24.21(b)(2)(vii); and
4. Provide a copy of the approved tariff to the Applicant (attached).



## **WATER UTILITY TARIFF**

**Tariff Control Number: 48019**

Danny C. Cox, Sr., dba  
Copano Heights Water Company  
(Utility Name)

P.O. Box 627  
(Business Address)

Fulton, TX 78358  
(City, State, Zip Code)

361-729-1903  
(Area Code/Telephone)

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

11960

This tariff is effective in the following county:

Aransas

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

None

This tariff is effective in the following subdivisions or public water systems:

Copano Heights Unit 1 & 2, Water System: PWS #0040017

### **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 .....	3
SECTION 3.0 -- EXTENSION POLICY .....	12

APPENDIX A -- SAMPLE SERVICE AGREEMENT  
APPENDIX B -- APPLICATION FOR SERVICE

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size:</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$31.91</u> (including 0 gallons)	<u>\$6.23*</u> per 1,000 gallons
3/4"	<u>\$47.87</u>	
1"	<u>\$79.78</u>	
1½"	<u>\$159.55</u>	
2"	<u>\$255.28</u>	
3"	<u>\$478.65</u>	
4"	<u>\$797.75</u>	

\*The above gallonage rate includes an increase of \$0.13 from \$5.46 to \$5.60 per 1,000 gallons for purchased water from the City of Rockport, adjusted for 8.75% water loss. (***Tariff Control No. 48019***)

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

Cash X, 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 TO REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fee

TAP FEE ..... \$950.00  
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 COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR FOR THE METER INSTALLED.

METER RELOCATION FEE ..... Actual Cost, 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 MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE .....\$25.00

THE RECONNECTION 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) .....\$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) .....\$5.00

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 RETURNED CHECK CHARGE .....\$25.00

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

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:

$R = G / (1 - L)$ , where

R = the proposed pass-through rate;

G = the new gallonage charge (per 1,000 gallons) by source supplier;

L = the actual line loss for the preceding 12 months.