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The charges for each subdivision are broken down as follows:

CBWS will begin these charges on the May billing cycle for a period of one month(s) only on all affected subdivisions. Thank you for your assistance in this matter and if you need to contact me my # is (817) 980-6394 or at mstrgolfer@sbcglobal.net . enclosed are copies of Approved Tariff No.47999 .

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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: February 9, 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 16 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 notes that this application included the cost of certain water sampling which are already included in the current rates. These costs are listed on the invoices as *Total Nitrate, Minerals, Metals and Volatile Organic Chemicals* testing and should be excluded from the amount of surcharge. Also, *Synthetic Organics Contaminants* for Sandersview system should be excluded.

Based upon review of the information submitted with the application, Staff recommends the following:

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

Summary of Staff Recommended Surcharges

<u>Subdivision</u>	<u>Requested</u>	<u>Disallowed</u>	<u>Tests</u>	<u>Staff Total</u>	<u>Connection Count</u>	<u>Per connection charge for (1) month</u>
<u>Bell Manor</u>	<u>\$314.28</u>	<u>\$55.12</u>	<u>VOC*</u>	<u>\$259.16</u>	<u>23</u>	<u>\$11.27</u>
<u>Rock Creek</u>	<u>\$314.28</u>	<u>\$55.12</u>	<u>VOC*</u>	<u>\$259.16</u>	<u>38</u>	<u>\$6.82</u>
<u>Buffalo Creek</u>	<u>\$314.28</u>	<u>\$55.12</u>	<u>VOC*</u>	<u>\$259.16</u>	<u>48</u>	<u>\$5.40</u>

<u>Sandersview</u>	<u>\$576.69</u>	<u>\$522.94</u>	<u>Minerals, VOC*,</u> <u>SOC**, metals</u>	<u>\$53.75</u>	<u>29</u>	<u>\$1.85</u>
<u>Crowley II Acres</u>	<u>\$628.56</u>	<u>\$110.24</u>	<u>VOC*</u>	<u>\$518.32</u>	<u>96</u>	<u>\$5.40</u>
<u>John Dame</u>	<u>\$628.56</u>	<u>\$110.24</u>	<u>VOC*</u>	<u>\$518.32</u>	<u>50</u>	<u>\$10.37</u>
<u>Martin Creek</u>	<u>\$314.28</u>	<u>\$55.12</u>	<u>VOC*</u>	<u>\$259.16</u>	<u>24</u>	<u>\$10.80</u>

*Volatile Organic Chemicals

** Synthetic Organic Contaminants

- 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.