

Control Number: 48051



Item Number: 11

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**DOCKET NO. 48051**

**APPLICATION OF QUADVEST, L.P.  
FOR A PASS-THROUGH RATE  
CHANGE**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

2018 MAY 25 PM 2:13  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S FINAL RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this request for an amended schedule:

**I. Background**

On February 12, 2018, Quadvest, L.P. (Quadvest) filed an application for a minor change to its tariff under water Certificate of Convenience and Necessity No. 11612. Quadvest seeks to increase its pass-through rate from \$3.32 to \$3.35 per 1,000 gallons as a result of an increase to the well pumpage fees charged by North Harris County Regional Authority. The rate increase will apply to the Lakes of Fairhaven subdivision and will take effect on April 19, 2018. Quadvest filed a revised notice to customers on February 20, 2018.

On March 15, 2018, the Administrative Law Judge (ALJ) issued a notice requiring Quadvest to file supplemental information to cure the deficiencies in the application, including proof that revised notice was sent to customers by April 2, 2018. The ALJ also ordered Staff to file a supplemental recommendation on sufficiency of the application and notice no later than May 2, 2018.

Quadvest filed its supplemental information in the wrong docket, Docket No. 48052. The ALJ granted Staff's request and extended the deadline for Staff to file its recommendation on Quadvest's application and sufficiency of notice to May 25, 2018. Therefore, this pleading is timely filed.

**II. Staff's Recommendation**

Staff has reviewed Quadvest's application, supplemental information, and revised notice and, as supported by the attached memorandum of Andrew Novak of the Commission's Water Utility Regulation Division, recommends that it be found administratively complete and in

compliance with 16 Texas Administrative Code (TAC) § 24.21(b)(2)(F). Accordingly, Staff recommends that Quadvest's pass-through rate increase be approved.

### **III. Proposed Procedural Schedule**

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

### **IV. Conclusion**

Staff respectfully requests the entry of an Order consistent with the above recommendations.


Dated: May 25, 2018

Respectfully Submitted,

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

Margaret Uhlig Pemberton  
Division Director

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Managing Attorney



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**DOCKET NO. 48051**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on May 25, 2018, in accordance with 16 TAC § 22.74.

A handwritten signature in black ink, appearing to read 'Landon J. Lill', is written above a horizontal line.

Landon J. Lill

## PUC Interoffice Memorandum

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**To:** Landon Lill, Attorney  
Legal Division

**Through:** Tammy Benter, Director  
Debi Loockerman, Manager  
Water Utility Regulation

**From:** Andrew Novak, Financial Analyst  
Water Utility Regulation

**Date:** May 25, 2018

**Subject:** **Tariff Control No. 48051; Application of Quadvest, L.P. to Implement a Pass-Through Rate Change**

Quadvest, L.P. (Quadvest, or Applicant) filed an application to implement a pass-through rate adjustment (PRA) for fees imposed on the utility by North Harris County Regional Water Authority (NHCRWA). The PRA will become effective on April 19, 2018, for the residents of the Lakes of Fairhaven subdivision. NHCRWA is increasing its rate to \$3.40 per 1,000 gallons. Quadvest requested a PRA of \$3.56.

Staff conducted the technical review of this application and prepared a final tariff reflecting the implementation of the change in the provision. Staff confirmed Quadvest's calculations of the PRA for the NHCRWA fees as part of our analysis and recommendation. *The new pass-through rate was calculated to be \$3.56 per 1,000 gallons.*

The Applicant substantiated the increase in the cost of water with documentation from NHCRWA. The Applicant also provided information for the preceding 12 months which verifies the Applicant's line loss of 4.4%. Notice by the Applicant was correctly provided to the customers pursuant to 16 Tex. Admin. Code §24.21(b)(2)(E).

Based upon review of the information submitted, Staff recommends that the Commission:

1. Find that the application and notice is sufficient and administratively complete;
2. Approve the pass-through adjusted rate; and
3. Refer to Docket 48052 to locate a copy of Quadvest's new tariff pages.