



Control Number: 48051



Item Number: 1

Addendum StartPage: 0

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January 31, 2018

Public Utility Commission
Central Records
PO Box 13326
Austin, TX 78711-3326

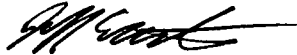
Subject: Quadvest LP Pass Through Change Application – Lakes Of Fairhaven

Dear Sir/Madam,

This letter represents the formal request by Quadvest LP (“Quadvest”) to pass through the additional fees being charged by the North Harris County Regional Water Authority. Please find enclosed correspondence from North Harris County Regional Water Authority indicating an increase in their well pumpage fees to \$3.40 per 1000 gallons, effective April 1, 2018. This increase will affect the customers in the Lakes of Fairhaven subdivision, noting the associated pass through fees (“PTF”) will be increasing from \$3.12 to \$3.56 per 1000 gallons. As notice must be provided to customers prior to any change in PTF, Quadvest has provided notice prior to effective date of April 19, 2018.

Thanks for your time and consideration on this matter. If you have any questions and/or comments, please do not hesitate to contact me at 281-305-1127.

Sincerely,



Jeff Eastman
Quadvest LP

Enclosed:
NHCRWA Correspondence Letter
Customer Notice
PTF Calculation Summary

Lakes Of Fairhaven Pass Thru Calculation

Lakes of Fairhaven	
Total Pumped	191,177
Total Billed	182,833
Water Loss Gallons	8,344
Water Loss %	4.4% L

Pass Through Provision Calculation

G	(1-L)	= AG
3.40	95.6%	3.56

G= Gallonage Charge From Water Authority

L= Line Loss (not to exceed 15%)

AG= Adjusted Gallonage Charge

North Harris County Regional Water Authority

Date	Water Pumpage	Water Usage	Water Loss	Water Loss %
Dec17	9,072	5,304	3,768	41.5%
Nov17	15,725	14,698	1,027	6.5%
Oct17	19,677	18,713	964	4.9%
Sep17	16,960	16,073	887	5.2%
Aug17	24,561	24,164	397	1.6%
Jul17	21,409	21,780	(371)	-1.7%
Jun17	22,070	22,482	(412)	-1.9%
May17	24,875	24,436	439	1.8%
Apr17	14,891	14,083	808	5.4%
Mar17	8,181	8,757	(576)	-7.0%
Feb17	7,049	6,299	750	10.6%
Jan17	6,707	6,044	663	9.9%
Totals	191,177	182,833	8,344	4.4%

Proof	@ 3.56	@ 3.12
Pumpate Fees	650,002	650,002
Usage Fee Collected	650,002	570,439
Gain (Loss)	-	79,563



UPDATED 12/4/17

**UPDATED PRICING POLICY
OF THE NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
(Effective April 1, 2018)**

This Updated Pricing Policy of the North Harris County Regional Water Authority (this "Updated Pricing Policy") is intended to define the Cost of Water paid to the Authority for Water used within the Authority and is an integral part of the Authority's Rate Order (the "Rate Order"), adopted on October 5, 2009. Unless specifically defined otherwise, capitalized terms in this Updated Pricing Policy shall have the meanings defined in the Rate Order.

Effective April 1, 2018, the following Cost of Water will apply to and be due by users of Water within the Authority:

Authority Water	\$3.85 per 1,000 gallons
Water pumped from a Non-Exempt Well	\$3.40 per 1,000 gallons
Imported Water	\$3.40 per 1,000 gallons

In addition to the above Fees, the Authority shall continue to provide a credit to each Converted Entity that constructed a Chloramine System prior to December 1, 2015 in accordance with the Authority's prior policy and procedures. Such credits shall be calculated as outlined below. Furthermore, any credits for capital contributions paid to the Authority by a Payor shall continue as provided in the applicable written agreement executed between the Payor and the Authority.

The Authority may revise the above Fees and modify, delete or add any credit(s), subject to the provisions of any applicable written agreements, if and when necessary. Payors will be notified of any such changes.

Chloramination Credits

The annual Chloramination Credit shall be calculated by amortizing the cost of the Chloramine System at 6% interest over a 30-year period, which shall begin the year the facilities are placed in service. The annual Chloramination Credit amount will be divided by 12 and the resultant amount will be credited monthly toward the fees payable to the Authority for the Water used by the Converted Entity.

New/Replacement Facilities

In order to help facilitate the effective implementation of the GRP, any Payor who anticipates the construction of new or replacement Water production, storage and/or treatment facilities and/or related appurtenances shall advise the Authority of those plans as early in the process as possible. The Authority will review such proposed improvements for conformity with the goals of the GRP and the possibility of the Authority being able to address those needs (i.e., by providing water in lieu of the Payor having to construct or replace facilities). Within the limits of its jurisdiction, the Authority will regulate construction of such facilities to accomplish the goals of the GRP.

Policy Implementation

The General Manager is authorized to take any actions on behalf of the Authority necessary and convenient to accomplish the purposes of this Updated Pricing Policy. The General Manager is also authorized to take actions necessary to comply with any special credit provisions provided under any agreements that may exist between a Payor and the Authority.



January 31, 2018

Dear Lakes of Fairhaven Customer,

Quadvest hereby notifies you that it will be increasing your water pass through fee ("PTF") to \$3.56 per 1000 gallons, effective April 19, 2018. This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code § 24.21. The cost to you as a result of this change will not exceed the costs charged to your utility. Specifically, the pass through provision allows Quadvest to pass along actual water usage fees charged by the North Harris County Regional Water Authority to its customers. On your bill due June 21st, the PTF will be \$3.56 per 1,000 gallons, an increase from the current \$3.12 per 1,000 gallons. The Public Utility Commission of Texas will review the PTF calculation and advise of any required revisions, noting the \$3.56 per 1000 gallons will remain in effect until further notice.

New Water Pass Through Fee Calculation (PTF)

<i>G = Gallonage charge of water authority (per 1,000 gallons)</i>	<i>\$3.40</i>
<i>L = water line loss not to exceed 15%</i>	<i>4.4%</i>
<i>AG = G / (1-L)</i>	<i>\$3.56</i>

Customer Bill Comparison at 5,000 Gallons:

Present Calculation of Customer Billing:

Example: 5/8 x 3/4" meter using 5,000 gallons

$$\$17.85 + [5000/1000 * \$1.50] + [5000/1000 * \$3.12] = \$40.95$$

New Calculation of Customer Billing:

Example: 5/8 x 3/4" meter using 5,000 gallons

$$\$17.85 + [5000/1000 * \$1.50] + [5000/1000 * \$3.56] = \$43.15$$

If you have any questions about this PTF adjustment, please call Quadvest Customer Service Monday – Friday, 8:00am – 4:30pm at 281-356-5347 or email us at support@quadvest.com.

Best regards,

Quadvest Customer Service

TARIFF CONTROL NO. 47260

**APPLICATION OF QUADVEST LP
FOR A PASS-THROUGH RATE
CHANGE**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

RECEIVED
2017 AUG 16 AM 10:56
PUBLIC UTILITY COMMISSION
FILED

COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this recommendation and would show the following:

I. BACKGROUND

On June 5, 2017, Quadvest LP (Quadvest) filed an application to implement a pass-through rate change in its tariff under Water Certificate of Convenience and Necessity (CCN) No. 11612. Quadvest seeks to implement the pass-through provision as a result of an increase in well pumpage fees charged by the North Harris County Regional Water Authority (NHCRWA). The rate increase will affect customers located in the Lakes of Fairhaven subdivision. The requested effective date for the pass-through rate change is June 19, 2017.

On June 28, 2017, the Administrative Law Judge (ALJ) issued a Notice Finding Application Insufficient which required Staff to file a supplemental recommendation on the application, by August 16, 2017. This pleading is therefore timely filed.

II. RECOMMENDATION

Staff has reviewed Quadvest's application and supplement and, as supported by the attached memorandum of Debi Loockerman of the Water Utilities Division, Staff recommends that the application be deemed sufficient for filing and approved. Staff also recommends that

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Quadvest be provided with a copy of the approved tariff, which has been attached to this recommendation.¹

III. CONCLUSION

For the reasons stated above, Staff respectfully requests the issuance of an order consistent with the above recommendation.

¹ Staff notes that Quadvest has filed another Pass-Through application in Docket 47259. Because it is being processed at the same time, and the tariff change also affect that application, the same tariff shall be provided for both applications.

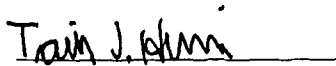
Dated: August 16, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

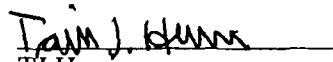
Stephen Mack
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(512) 936-7216
(512) 936-7268 (facsimile)
TJ.Harris@puc.texas.gov

TARIFF CONTROL NO. 47260

CERTIFICATE OF SERVICE

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


TJ Harris

PUC Interoffice Memorandum

To: TJ Harris, Attorney
Legal Division

Through: Tammy Benter, Division Director
Water Utility Regulation

From: Debi Loockerman, Manager
Water Utility Regulation

Date: August 16, 2017

Subject: **Tariff Control No. 47260; Application of Quadvest, L.P. to Implement a Pass-Through Rate Change**

On June 5, 2017, Quadvest, L.P. (Quadvest) filed an application to implement a pass-through pumpage fee increase (PTF) for fees imposed by North Harris County Regional Water Authority (NHRWA) for the Lakes of Fairhaven subdivision. NHRWA charges a well pumpage fee which increased from \$2.40 to \$2.90 effective April 1, 2017.

The Commission deemed the application insufficient in Order No. 2, requiring Quadvest to cure the deficiencies by July 26, 2017. Staff has reviewed Quadvest's additional filings made on July June 19, 2017, including the notice provided to customers, and recommends that the Commission do the following:

1. Deem the application sufficient for filing;
2. Approve the requested pass-through increase from \$2.90 to \$3.12 with an effective date of June 19, 2017;
3. Approve the requested change in equation to more correctly recover the amounts passed charged by NHRWA in accordance with 16 Tex. Admin. Code § 24.21(b)(2)(vii).

Please note that the tariff changes approved in Tariff Control No. 47259, which is being processed concurrently with this application, will be included in a tariff issued for this application (Tariff Control No. 47260).