



Control Number: 48069



Item Number: 1

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48069

**B & D ENVIRONMENTAL, INC.**  
200 HARBOR CIRCLE  
GEORGETOWN, TEXAS 78633  
PHONE NO (512) 264-9124  
FAX NO (512) 692-1967

EMAIL [bretfenner@yahoo.com](mailto:bretfenner@yahoo.com)

February 16, 2018

Public Utility Commission  
Central Records  
1701 N. Congress P.O. Box 13326  
Austin, Texas 78711-3326

2018 FEB 16 AM 11:00  
RECEIVED  
PUBLIC UTILITY COMMISSION

Re: Application of Nerro Supply Investors, LLC (Utility) For a Pass-Through Rate Change; Certificate of Convenience and Necessity (CCN) No. 10336

Enclosed please find the following notice to implement a water use fee clause in the Utility's current tariff to pass through to affect customers for an increase from Lone Star Groundwater Conservation Districts (LSGCD) in its groundwater pumpage fee. The following items enclosed to support the noticed increase:

1. Notice of pass thru rate increases with all required information and calculations of the increases which was delivered to all affected customers.
2. Historical document showing gallons pumped and gallons consumed for the past 12 month's period.
3. A copy of the notice from the LSGCD indicating the amount of the pass thru rate increase effective January 1, 2018.
4. Copies of invoices for a 12-month period which are billed quarterly through the San Jacinto River Authority showing the amount paid for that 12-month period for the pumpage fee.
5. A copy of the current water rate tariff pages for the Utility's which reflects the calculation of the pass through using the equation in §24.21 (D) of the PUC Rules.

Should you have any further questions concerning this pass thru request, please do not hesitate to contact us at (512) 264-9124.

Sincerely,



Bret W. Fenner, P.E.  
B & D Environmental, Inc.

Enclosures

**NOTICE OF PASS THROUGH RATE PROVISION INCREASE**

<b>Nerro Supply Investors, LLC</b>	<b>10336</b>
Company Name	CCN Number

is instituting a pass thru gallonage charge of \$ 0.12 per 1,000 gallons for the Lone Star Groundwater Conservation District's (LSGCD) pumpage fee for your subdivision. This tariff change is being implemented in accordance with the utility's approved water use fee clause to recognize an increase in the LSGCD's pumpage fee for your subdivision. 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.

<b>Hazy Hollow East Estates Subdivision</b> <b>PWS # 1700013</b>	<b>White Oak Valley Estates Subdivision</b> <b>PWS # 1700036</b>			
Subdivisions /Systems Affected by Pass Through Provision				
<b>P.O. Box 691008</b>	<b>Houston</b>	<b>TX</b>	<b>77269</b>	<b>281-355-1312</b>
Company Address	City	State	Zip	Phone #
<b>February 16, 2018</b>	<b>January 1, 2018</b>			
Date Customer Notice Mailed	Effective Date of the Increase			

**Lone Star GCD approved pumpage fee effective January 1, 2018: \$0.105 per 1,000 gallons**

**System Average Line Loss:**

**Hazy Hollow East Estates (PWS #1700013):** Gallons pumped - Gallons billed) / Gallons pumped  
 (51,158,000 - 37,829,000) / 51,158,000  
 13,329,000 / 51,158,000 = .2605 or 26.05% > 15%

**White Oak Valley Estates (PWS #1700036):** Gallons pumped - Gallons billed) / Gallons pumped  
 (14,755,000 - 12,114,000) / 14,755,000  
 2,641,000 / 14,755,000 = .1790 or 17.9% > 15%

**Calculation of Adjusted Gallonage Rate:**

Adjusted Gallonage Rate (AG) = {G / (1 - L)}, Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

G = approved gallonage charge, per 1,000 gallons;

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

$$AG = \{(\$ 0.105 / (1 - 0.15))\}$$

$$AG = \{ \$ 0.105 / 0.85 \}$$

$$AG = \$ 0.12$$

**Pass Through Fee: Hazy Hollow East Estates and White Oak Valley Estates:**

**These additional pass through fees will be added as a monthly charge for participation in the Lone Star Groundwater District Pumpage Fee for the customers in these Subdivisions.**

**Lone Star Pumpage Fee. . . . . \$ 0.12 per each additional 1,000 gallon over the minimum**

Northwest 1 - Hazy Hollow

Month Ending	Water Pumped	Water Sold
1/31/2017	3,713,000	2,826,000
2/28/2017	4,272,000	3,350,000
3/31/2017	3,736,000	2,442,000
4/28/2017	3,338,000	2,748,000
5/31/2017	4,076,000	2,926,000
6/30/2017	5,593,000	3,965,000
7/31/2017	4,058,000	3,396,000
8/31/2017	4,383,000	3,278,000
9/30/2017	5,491,000	3,644,000
10/31/2017	4,379,000	2,707,000
11/30/2017	4,276,000	2,377,000
12/31/2017	3,843,000	4,170,000
<b>Total</b>	<b><u>51,158,000</u></b>	<b><u>37,829,000</u></b>

White Oak Valley

Month Ending	Water Pumped	Water Sold
1/31/2017	1,459,000	964,000
2/28/2017	1,497,000	906,000
3/31/2017	1,242,000	896,000
4/28/2017	968,000	908,000
5/31/2017	440,000	866,000
6/30/2017	1,138,000	1,022,000
7/31/2017	1,488,000	1,388,000
8/31/2017	1,329,000	929,000
9/30/2017	1,556,000	1,266,000
10/31/2017	1,745,000	993,000
11/30/2017	812,000	611,000
12/31/2017	1,081,000	1,365,000
<b>Total</b>	<b><u>14,755,000</u></b>	<b><u>12,114,000</u></b>



655 Conroe Park North Drive • Conroe, Texas 77303  
local 936/494-3436 • metro 936/441-3437 • fax 936/494-3438  
email: info@lonestargcd.org www.lonestargcd.org

Kathy Turner Jones  
General Manager

Board of  
Directors

Rick Moffatt  
President

James M. Stinson, PE  
Vice-President

Gregg Hope  
Secretary

W. B. Wood  
Treasurer

John D. Bleyl, PE

Jace A. Houston

Roy McCoy, Jr.

Webb Melder

M. Scott Weisinger, PG

September 5, 2017

Mr. Michael Williams  
Nerro Supply, LLC  
P O Box 691008  
Houston, TX 77269

**Re: NOTICE OF WATER USE FEE RATES FOR CALENDAR YEAR 2018**

Dear Mr. Williams:

At its August 8, 2017, board meeting, the Board of Directors of the Lone Star Groundwater Conservation District ("District") approved a 10.5 cent per 1,000 gallons Water Use Fee rate for 2018, which applies to the total amount of groundwater you are authorized by permit to produce in calendar year 2018. The \$0.105/1,000-gallon rate goes into effect on January 1, 2018, and applies to all uses other than "agricultural use" as that term is defined in the District Rules.

The Water Use Fee rate for the Catahoula Aquifer remains unchanged at \$0.06 per 1,000 gallons, as does the agricultural use (\$1.00 per acre-foot) rate. The Groundwater Transport Fee for transportation of groundwater out of the District remains a fifty percent (50%) surcharge in addition to the District's water use fee for in-District use. The Minimum Regulatory Water Use Fee remains at \$10.00.

If you have any questions about the 2018 Water Use Fee rates, please feel free to contact the District staff by telephone at (936) 494-3436.

Sincerely,

Kathy Turner Jones  
General Manager



**San Jacinto River Authority**

P.O. Box 329  
Conroe, TX 77305  
Phone: (936) 588-1662

**Invoice**

Date	Invoice #
8/1/2017	34544

Nerro Supply Investors, LLP. Hazy Hallow East Estates P.O. Box 691008 Houston, TX 77269 Customer ID: 304652
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<p><b>GRP Quarterly Installment (4th Quarter)</b></p>
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<b>Allocation 2017</b>	<b>Due Date</b>
37,000,000	10/18/2017

Description	Quantity	Unit Amount	Amount
Quarterly Allocation Installment	9,250.000	.075	\$ 693.75
2016 Allocation Rebate	1	-271.53	\$-271.53

<b>Balance Due</b>	<b>\$422.22</b>
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WO# 98987  
PO# 19425



**San Jacinto River Authority**

P.O. Box 329  
Conroe, TX 77305  
Phone: (936) 588-1662

**Invoice**

Date	Invoice #
8/1/2017	34545

Nerro Supply Investors, LLP. White Oak Valley P.O. Box 691008 Houston, TX 77269 Customer ID: 304653
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<b>GRP Quarterly Installment (4th Quarter)</b>
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<b>Allocation 2017</b>	<b>Due Date</b>
13,500,000	10/18/2017

Description	Quantity	Unit Amount	Amount
Quarterly Allocation Installment	3,375.000	.075	\$ 253.13
2016 Allocation Rebate	1	-101.04	\$-101.04

<b>Balance Due</b>	<b>\$152.09</b>
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WO# 98996  
PO# 19427



**San Jacinto River Authority**

P.O. Box 329  
Conroe, TX 77305  
Phone: (936) 588-1662

**Invoice**

Date	Invoice #
5/1/2017	31789

Nerro Supply Investors, LLP. White Oak Valley  
P.O. Box 691008  
Houston, TX 77269  
Customer ID: 304653

**GRP Quarterly  
Installment  
(3rd Quarter)**

Allocation 2017	Due Date
13,500,000	07/18/2017

Description	Quantity	Unit Amount	Amount
Quarterly Allocation Installment	3,375	.075	\$ 253.13

<b>Balance Due</b>	<b>\$253.13</b>
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**San Jacinto River Authority**

P.O. Box 329  
Conroe, TX 77305  
Phone: (936) 588-1662

**Invoice**

Date	Invoice #
2/1/2017	25837

Nerro Supply Investors, LLP. White Oak Valley  
P.O. Box 691008  
Houston, TX 77269  
Customer ID: 304653

**GRP Quarterly  
Installment  
(2nd Quarter)**

Allocation 2017	Due Date
13,500,000	04/18/2017

Description	Quantity	Unit Amount	Amount
Quarterly Allocation Installment	3,375,000	0.000075	\$ 253.13

<b>Balance Due</b>	\$253.13
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*AW*



**San Jacinto River Authority**

P.O.Box 329  
Conroe, TX 77305  
Phone: (936) 588-1662

**Invoice**

Date	Invoice #
11/1/2016	22916

Nerro Supply Investors, LLP. White Oak Valley  
P.O. Box 691008  
Houston, TX 77269  
Customer ID: 304653

**GRP Quarterly  
Installment  
(1st Quarter)**

Allocation 2017	Due Date
13,500,000	01/18/2017

Description	Quantity	Unit Amount	Amount
Quarterly Allocation Installment	3,375	\$0.075000	\$ 253.13

<b>Balance Due</b>	<b>\$253.13</b>
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**San Jacinto River Authority**

P.O. Box 329  
Conroe, TX 77305  
Phone: (936) 588-1662

**Invoice**

Date	Invoice #
5/1/2017	31788

Nerro Supply Investors, LLP. Hazy Hallow East  
Estates  
P.O. Box 691008  
Houston, TX 77269  
Customer ID: 304652

**GRP Quarterly  
Installment  
(3rd Quarter)**

Allocation 2017	Due Date
37,000,000	07/18/2017

Description	Quantity	Unit Amount	Amount
Quarterly Allocation Installment	9,250	.075	\$ 693.75

<b>Balance Due</b>	<b>\$693.75</b>
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**San Jacinto River Authority**

P.O. Box 329  
Conroe, TX 77305  
Phone: (936) 588-1662

**Invoice**

Date	Invoice #
2/1/2017	25836

Nerro Supply Investors, LLP. Hazy Hallow East Estates P.O. Box 691008 Houston, TX 77269 Customer ID: 304652
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<p><b>GRP Quarterly Installment (2nd Quarter)</b></p>
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Allocation 2017	Due Date
37,000,000	04/18/2017

Description	Quantity	Unit Amount	Amount
Quarterly Allocation Installment	9,250,000	0.000075	\$ 693.75

<b>Balance Due</b>	<b>\$693.75</b>
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*Don*



**San Jacinto River Authority**

P.O.Box 329  
Conroe, TX 77305  
Phone: (936) 588-1662

**Invoice**

Date	Invoice #
11/1/2016	22915

Nerro Supply Investors, LLP. Hazy Hallow East  
Estates  
P.O. Box 691008  
Houston, TX 77269  
Customer ID: 304652

**GRP Quarterly  
Installment  
(1st Quarter)**

Allocation 2017	Due Date
37,000,000	01/18/2017

Description	Quantity	Unit Amount	Amount
Quarterly Allocation Installment	9,250	\$0.075000	\$ 693.75

<b>Balance Due</b>	<b>\$693.75</b>
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**WATER UTILITY TARIFF**  
**Tariff Control Number: 47536**

Nerro Supply Investors, LLC  
(Utility Name)

718 Westcott Street  
(Business Address)

Houston, Texas 77007  
(City, State, Zip Code)

(281)3 55-1312  
(Area Code/T telephone)

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

10336

This tariff is effective in the following counties:

Harris and Montgomery

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

None

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

See attached list.

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
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SECTION 3.0 -- EXTENSION POLICY .....	11

APPENDIX A-- DROUGHT CONTINGENCY PLAN  
APPENDIX B -- SAMPLE SERVICE AGREEMENT  
APPENDIX C -- APPLICATION FOR SERVICE

LIST OF SUBDIVISIONS

Hazy Hollow East Estates	1700013	Montgomery
Shady Brook Acres	1700031	Montgomery
Spring Creek Valley Estates	1010213	Harris
White Oak Valley Estates	1700036	Montgomery

**Tariff Control No. 47536**

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

**Spring Creek Valley Estates (Harris County)**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$37.16</u> (includes 1000 gallons)	<u>\$3.56</u> per 1,000 gallons over the minimum *Plus NHCRWA Fee for <u>ALL</u> gallons used

\*North Harris County Regional Water Authority Water Use Fee: .....\$2.19  
per 1,000 gallons of water usage

**Hazy Hollow East Estates, White Oak Valley Estates, Shady Brook Acres  
(Montgomery County)**

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$36.71</u> (includes 1000 gallons)	<u>\$3.55</u> per 1,000 gallons over the minimum *PLUS LSGCD & SJRA fees for <u>ALL</u> gallons used

\*Lone Star Groundwater Conservation District Water Use Fee: .....\$0.05  
per 1,000 gallons of water usage

\*San Jacinto River Authority Fee for Hazy Hollow East Estates and White Oak Valley Estates  
only: .....\$3.11  
per 1,000 gallons of water usage  
(Tariff Control No. 47536)

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 REMIT TO THE TCEQ.

**Tariff Control No. 47536**



**SECTION 1.0 – RATE SCHEDULE (Continued)**

**Section 1.02 - Miscellaneous Fees**

**TAP FEE**.....**N/A**  
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 IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

**METER RELOCATION FEE** ..... **Actual Relocation 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 WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

**RECONNECTION FEE**  
THE RECONNECT 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) Non payment of bill (Maximum \$25.00).....**\$25.00**  
b) Customer's request that service be disconnected.....**N/A**

**TRANSFER FEE**.....**N/A**  
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)** ..... **10%**  
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.

SECTION 1.0 – RATE SCHEDULE (Continued)

RETURNED CHECK CHARGE ..... \$25.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:  
WHEN AUTHORIZED IN WRITING BY TCEQ 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.

**Pass Through Provision:**  
For Utilities subject to changes in costs imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

$AG = G + B/(1-L)$ , Where:

- AG = adjusted gallonage charge, rounded to nearest one cent
- G = approved gallonage charge, per 1,000 gallons
- B = changed in fee (per 1,000 gallons)
- L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%);

$ABR = BR + (B \times N)/(1-L)$ , Where:

- ABR = adjusted base rate, rounded to nearest one cent;
- B = approved gallonage charge, per 1,000 gallons;
- N = no. of 1,000 gallons included in base rate (do not use zero);
- L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)