



Control Number: 48069



Item Number: 4

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PUBLIC UTILITY COMMISSION  
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*Public Utility Commission of Texas*

To: Bret W. Fenner, P.E.  
B & D Environmental, Inc.  
200 Harbor Circle  
Georgetown, TX 78633

Commission Staff – Water Utility Regulation Division  
Commission Staff – Legal Division

Re: Tariff Control No. 48069 – *Application of Nerro Supply Investors, LLC for a Pass-Through Rate Change*

**NOTICE OF APPROVAL**

This Notice addresses Nerro Supply Investors, LLC’s February 16, 2018 application for a pass-through rate change to recover the groundwater pumpage fees paid to Lone Star Groundwater Conservation District effective January 1, 2018. The rate increase affects the Hazy Hollow East Estates (PWS No. 1700013) and White Oak Valley Estates (PWS No. 1700036) subdivisions.

On March 15, 2018, Commission Staff recommended the application be approved, based on the recommendation of Kathryn Eiland of the Commission’s Water Utility Regulation Division. Commission Staff included the tariff pages to be attached to the notice of approval.

The application is approved. Nerro Supply is authorized to collect a pass-through rate of \$0.12 per 1,000 gallons from affected customers. The approved rate schedule is attached.

Signed at Austin, Texas the 2<sup>ND</sup> day of April 2018.

**PUBLIC UTILITY COMMISSION OF TEXAS**

**GABRIEL P. SOTO**  
**ADMINISTRATIVE LAW JUDGE**

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**WATER UTILITY TARIFF**  
**Tariff Control Number: 48069**

Nerro Supply Investors, LLC  
Northwest Water Systems, Inc.  
(Utility Name)

718 Westcott Street  
(Business Address)

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

(281)355-1312  
(Area Code/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):

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- 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

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 <b>*Plus NHCRWA Fee for <u>ALL</u> gallons used</b>

\*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 <b>*PLUS LSGCD &amp; SJRA fees for <u>ALL</u>  gallons used for referenced subdivisions</b>

\*Lone Star Groundwater Conservation District Water Use Fee for Hazy Hollow East Estates and  
 White Oak Valley Estates only:.....\$0.12  
 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.

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:

$AG = G/(1-L)$ , 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%)