



Control Number: 48190



Item Number: 8

Addendum StartPage: 0

TARIFF CONTROL NO. 48190

**APPLICATION OF UNDINE
TEXAS, LLC FOR PASS-THROUGH
RATE CHANGE**

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§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S SUFFICIENCY RECOMMENDATION
AND RECOMMENDATION ON FINAL DISPOSITION**

COMES NOW the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this response to Notice Addressing Deficient Notice and Establishing Deadlines, Staff's Sufficiency Recommendation and Recommendation on Final Disposition. Staff recommends that the application be found sufficient and furthermore that it be approved. In support thereof, Staff shows the following:

I. BACKGROUND

On March 21, 2018, Undine Texas, LLC (Undine Texas) filed an application for a pass-through rate change pursuant to 16 Texas Administrative Code (TAC) § 24.21(b)(2)(A)(vii). Specifically, Undine Texas requests approval of a pass-through rate increase as a minor tariff change in order to recover an increased Groundwater Reduction Plan (GRP) fee imposed by North Fort Bend Water Authority (NFBWA). NFBWA's rate increase from \$3.05 per thousand gallons to \$3.35 applies to the 723 Utility/Riverside Ranch Subdivision of Undine Texas and took effect on January 1, 2018.¹ Undine Texas proposes an effective date of March 14, 2018 for an increase to \$3.68 per 1,000 gallons for this pass-through rate change.²

On April 23, 2018, Staff filed its Deficiency Recommendation recommending that Undine Texas's application not be found administratively complete because of issues with notice. On April 25, 2018, the Commission Administrative Law Judge (ALJ) issued Notice Finding the Application Incomplete and Deficient which established a deadline of May 16, 2018 for Undine Texas to issue new notice and file a copy in this proceeding. On May 4, 2018, Staff filed an Amended Deficiency Recommendation. On May 14, 2018, Undine filed an Affidavit of Notice indicating that revised notice was issued. On May 15, 2018, the ALJ issued Notice Addressing Deficient Notice and Establishing Deadlines which established Staff's deadline to file a

¹ Application at 1 (Mar. 21, 2018).

² *Id.* at 1-2.

supplemental recommendation on the sufficiency of the application by May 30, 2018. Therefore, this pleading is timely filed.

II. APPLICATION & NOTICE SUFFICIENCY RECOMMENDATION

Staff reviewed Undine Texas' application filed on March 21, 2018 and Undine Texas' Affidavit of Notice filed on May 14, 2018. As indicated in the attached memorandum of Kathryn Eiland of the Commission's Water Utility Regulation Division (Attachment A), Staff recommends that the application and notice be found sufficient under 16 TAC § 24.21(b)(2). Particularly, Undine Texas' amended notice included in its Affidavit of Notice satisfactorily addresses the requirement of 16 TAC §§ 24.21(b)(2)(F)(ii)(II) and (III) to include the present and new calculations of customer billings

III. FINAL DISPOSITION RECOMMENDATION

Upon review of Undine Texas's application on the merits, Staff determined that it complies with the requirements of 16 TAC §§ 24.21(b)(2)(A)(vii), (b)(2)(B), and (b)(2)(E). Therefore, as supported by Ms. Eiland's attached memorandum, Staff recommends that Undine Texas' application to pass through to its customers NFBWA's increased GRP fee be approved, effective March 14, 2018. The revised tariff implementing this pass-through rate change for Undine Texas is attached (Attachment B). In accordance with this approval recommendation, Staff does not propose a procedural schedule.

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that Undine Texas's application and notice be found sufficient and that the application be approved.

Dated: May 21, 2018

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

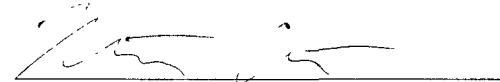


Matthew A. Arth
State Bar No. 24090806
(512) 936-7021
(512) 936-7268 (facsimile)
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
matthew.arth@puc.texas.gov

TARIFF CONTROL NO. 48190

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 21, 2018, in accordance with the requirements of 16 TAC § 22.74.



Matthew A. Arth

Attachment A

Staff Memorandum

PUC Interoffice Memorandum

To: Matthew Arth, Attorney
Legal

Thru: Debi Loockerman, Financial Manager
Water Utility Regulation

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation

Date: May 21, 2018

Subject: **Tariff Control No. 48190;** *Application of Undine Texas, LLC for a Pass-Through Rate Change*

On March 21, 2018, Undine Texas, LLC (Applicant), Certificate of Convenience and Necessity No. 13260, filed an application to implement a pass-through rate change pursuant to 16 Texas Administrative Code (TAC) § 24.21. The pass-through adjustment is for an increase in the groundwater reduction plan fee billed by North Fort Bend Water Authority (NFBWA) from \$3.05 per 1,000 gallons to \$3.35 per 1,000 gallons effective January 1, 2018.

The Applicant requested a NFBWA pass-through rate change to \$3.68 per 1,000 gallons for 723 Utility/Riverside Ranch Subdivision (PWS # 0790425), which included recovery for line loss. Staff reviewed the application and determined that although the pass-through rate change was calculated correctly, the application was administratively incomplete and deficient because the notice to customers did not include the present and new calculation of billings. On May 14, 2018, the Applicant filed a copy of the revised notice to customers. Staff reviewed the application and new notice and has determined that both meet the requirements of 16 TAC § 24.21.

Staff recommends that the Commission:

1. Deem the application sufficient and administratively complete,
2. Approve as requested in the application, and
3. Provide the Applicant a copy of the attached tariff.

Attachment B

Amended Tariff (Rate Schedule Section)



WATER UTILITY TARIFF
Tariff Control Number: 48190

Undine Texas, LLC.
(Utility Name)

10913 Metronome Dr.
(Business Address)

Houston, Texas 77043
(City, State, Zip Code)

(713) 574-5953
(Area Code/Telephone)

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

13260

This tariff is effective in the following counties:

Brazoria, Fort Bend, and Matagorda

This utility provides service in the following cities or unincorporated towns (if any):

City of Manvel (Brandi Estates)

“The rates set or approved by the city for the systems within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the Public Utility Commission of Texas and will have to be obtained from the city or utility.”

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
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 3.0 -- EXTENSION POLICY	12

APPENDIX A -- DROUGHT CONTINGENCY PLAN

APPENDIX B -- SAMPLE SERVICE AGREEMENT

This tariff is effective in the following subdivisions or systems:

PWS #	Subdivision/Facility Name	County
0790425	723 Utility/Riverside Ranch Subdivision	Fort Bend
0200244	Angle Acres Water System	Brazoria
0200358	Bayou Colony Subdivision	Brazoria
0200245	Beechwood Subdivision	Brazoria
0200338	Bernard Oaks Subdivision	Brazoria
0200323	Blue Sage Gardens Subdivision	Brazoria
0200325	Brandi Estates *	Brazoria
0200639	Brazos Oaks Subdivision	Brazoria
0200410	Briar Meadows	Brazoria
0200324	Colony Cove	Brazoria
0200604	Colony Trails	Brazoria
0200275	Coronado Country	Brazoria
0200274	Country Acres Estates	Brazoria
0200273	Country Meadows	Brazoria
0790510	Crystal Lake Estates	Fort Bend
0200185	Demi-John Place Water System	Brazoria
0200234	Demi-John Island Water System	Brazoria
0200339	Larkspur Subdivision	Brazoria
0200506	Lee Ridge	Brazoria
0200432	Mark V Estates	Brazoria
0200094	Mooreland	Brazoria
0200592	Quail Valley Ranches Sec. IV	Brazoria
0200058	Riverside Estates	Brazoria
0200346	Rosharon Road Estates	Brazoria
0200110	Ryan Long I	Brazoria
0200108	Ryan Long II	Brazoria
0200460	San Bernard River Estates	Brazoria
0200335	Sandy Meadows Estates	Brazoria
0200053	Snug Harbor	Brazoria
1610102	Spanish Bit Plantation	Matagorda
0790504	Tejas Lakes Subdivision	Fort Bend
0200638	Village Lakes	Brazoria
0200083	Wilco Water/Holiday Beach	Brazoria
0200370	Wolf Glen	Brazoria

*Brandi Estates subject to City of Manvel Approval

Tariff Control Number: 48190

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$35.00</u> (Includes 0 gallons)	<u>\$3.00</u> per 1000 gallons
1"	<u>\$70.00</u>	
1½"	<u>\$175.00</u>	
2"	<u>\$280.00</u>	
3"	<u>\$525.00</u>	
4" & larger	<u>\$1,100.00</u>	

Brazoria County Groundwater Conservation

District Production Fee \$0.03 per 1,000 gallons of water usage

North Fort Bend Water Authority Production Fee

(723 Utility/Riverside Ranch Subdivision only) \$3.68
per 1,000 gallons of water usage (*Tariff Control No. 48190*)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Check X, Money Order X, Other (specify) Online Payment or Automatic Bank Draft

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 TO REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$600.00

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.

Tariff Control Number: 48190

SECTION 1.0 -- RATE SCHEDULE (Continued)

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\$50.00

TRANSFER FEE\$25.00

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)\$5.00

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.

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 PUC 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.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

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

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

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

B=change in purchased water/district gallonage charge (per 1,000 gallons);

L=system average line loss for preceding 12 months not to exceed 0.15

Tariff Control Number: 48190