



Control Number: 48199



Item Number: 6

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APPLICATION OF OAK HILL  
ESTATES WATER COMPANY FOR A  
PASS THROUGH RATE CHANGE

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PUBLIC UTILITY COMMISSION  
OF TEXAS

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Supplemental Recommendation. Staff recommends that the application and notice be found sufficient and that the application be approved. In support thereof, Staff shows the following:

**I. BACKGROUND**

On March 23, 2018, Oak Hill Estates Water Company (Oak Hill) filed an application for a minor change to its tariff under water Certificate of Convenience and Necessity No. 12861. Oak Hill seeks to increase its pass-through rate from \$3.33 to \$3.90 per 1,000 gallons as a result of an increase to the well pumpage fees charged by North Harris County Regional Water Authority (NHCRWA). The rate increase will apply to the Oak Hill Estates subdivision and will take effect on May 21, 2018

On April 25, 2018, the Administrative Law Judge (ALJ) issued a Notice finding the application incomplete and deficient and requiring Oak Hill to file a supplement to cure the deficiencies, and proof of revised notice to customers, by May 11, 2018. Oak Hill supplemented the application on May 11, 2018. The Notice also required Staff to file a supplemental recommendation regarding the sufficiency of the application by June 11, 2018. Therefore, this pleading is timely filed.

**II. STAFF'S RECOMMENDATION**

Staff has reviewed Oak Hill's supplemental information and revised notice and, as supported by the attached memorandum of Kathryn Eiland of the Commission's Water Utility Regulation Division, recommends that it be found administratively complete and in compliance

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

### III. COMMENTS ON PROCEDURAL SCHEDULE

In accordance with the recommendation that Oak Hill's application be approved, Staff does not propose a procedural schedule. Instead, Staff recommends that Oak Hill be provided with a copy of the approved tariff, which is attached to this pleading.

### IV. CONCLUSION

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

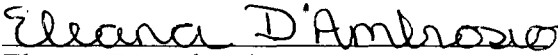
Date: June 11, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**


Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney

  
Eleanor D'Ambrosio  
State Bar No. 24097559  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7295  
(512) 936-7268 (facsimile)  
Eleanor.Dambrosio@puc.texas.gov

**TARIFF CONTROL NO. 48199**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on June 11, 2018, in accordance with 16 Texas Administrative Code § 22.74.

  
Eleanor D'Ambrosio  
Eleanor D'Ambrosio

## PUC Interoffice Memorandum

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**To:** Eleanor D'Ambrosio, Attorney  
Legal Division

**Thru:** Debi Loockerman, Financial Manager  
Water Utility Regulation

**From:** Kathryn Eiland, Financial Analyst  
Water Utility Regulation

**Date:** June 11, 2018

**Subject:** **Tariff Control No. 48199; *Application of Oak Hill Estates Water Company for a Pass-Through Rate Change***

On March 23, 2018, Oak Hill Estates Water Company (Applicant), Certificate of Convenience and Necessity No. 12861, 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 well pumpage fee billed by North Harris County Regional Water Authority (NHCRWA) from \$2.90 per 1,000 gallons to \$3.40 per 1,000 gallons effective April 1, 2018.

The Applicant requested a NHCRWA pass-through rate change from \$3.33 per 1,000 gallons to \$3.90 per 1,000 gallons for the Oak Hill Estates subdivision. Staff reviewed the application and determined that it was administratively incomplete and deficient because it did not include the public water system (PWS) name and corresponding number issued by TCEQ. Additionally, the notice did not include the reason for the change in charges, the present and new calculation of customer billings, an effective date for 2018 and a statement that the Applicant intended to change the pass-through formula. On May 11, 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 application be accepted for filing, approved, and that a copy of the attached tariff be provided to the Applicant.



**WATER UTILITY TARIFF**  
**Tariff Control No. 48199**

Castle Country Homes, Inc. dba  
Oak Hill Estates Water Company  
(Utility Name)

27351 Blueberry Hill #36  
(Business Address)

Conroe, Texas 77385  
(City, State, Zip Code)

(281) 367-9419  
(Area Code/Telephone)

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

12861

This tariff is effective in the following county:

Harris

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:

Oak Hill Estates: PWS # 1013045

**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 .....	8

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

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$30.85</u> (Includes 0 gallons)	<u>\$3.17</u> per 1000 gallons
1"	<u>\$77.13</u>	
1½"	<u>\$154.25</u>	

**North Harris County Regional Water**

**Authority Water Use Fee:** ..... \$3.90 per 1,000 gallons of water usage  
*Tariff Control No. 48199*

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 SHALL REQUIRE EXACT CHANGE FOR PAYMENTS AND SHALL 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 THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$1,000.00  
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 SHALL 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 SHALL 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 SHALL NOT EXCEED \$25.

RETURNED CHECK CHARGE ..... \$30.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

SECTION 1.0 -- RATE SCHEDULE (Continued)

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 .....\$40.00

TRANSFER FEE .....\$20.00

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) ..... 10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE SHALL NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

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 SHALL 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 though as an adjustment to the gallonage charge according to the formula:

$R = G / (1-L)$ , where:

R = new proposed pass through rate;

G = new gallonage charge by source supplier (per 1,000 gallons);

L = water line loss for preceding 12 months, not to exceed 0.15