



Control Number: 48206



Item Number: 3

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**SUPPLEMENTAL INFORMATION
CONTROL NO. 48206**

ALBURY MANOR UTILITY COMPANY

400 RANDAL WAY
SUITE 106
SPRING, TEXAS 77388
(281) 350-7000
FAX (281) 350-7020

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FILING CLERK

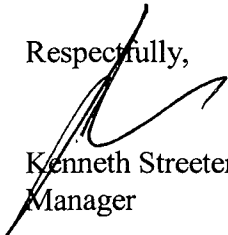
April 16, 2018

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

Re: PUC Control No. 48206
Albury Manor Utility Company
Pass Through Rate Filing
CCN #11507, PWS #1012052

This is to respectfully request permission for Albury Manor Utility Company to utilize the pass-through rate provision formula contained in PUCTx Rule 24.21(b)(2)(E). A revised Draft Notice of Rate Change is included herewith, along with a copy of the North Harris County Regional Water Authority Updated Pricing Policy effective April 1, 2018.

Respectfully,


Kenneth Streeter
Manager

Enclosures

ALBURY MANOR UTILITY COMPANY

400 RANDAL WAY
SUITE 106
SPRING, TEXAS 77388
(281) 350-7000
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CCN No. 11507

March 15, 2018

DRAFT NOTICE OF RATE CHANGE

This rate change is due to the increase in water production fees established by the North Harris County Regional Water Authority (NHCRWA). The Legislation creating the NHCRWA allows it to establish fees, rates, and charges and classifications of fees and rate payers, as necessary to enable the NHCRWA to fulfill its purpose and regulatory obligations. AMUC's customers may go to the NHCRWA website to see copies of the Orders adopted by the NHCRWA establishing these water production fees, at www.nhcrwa.org.

This tariff change is being implemented in accordance with AMUC's Pass Through water production fee adjustment clause as contained in AMUC's May 19, 2017 PUC approved water tariff to recognize increases in the water production fees established by the NHCRWA.

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 cost charged to your utility.

Please note that AMUC's basic water rates, approved by the TCEQ in February 1993 have NOT increased. All increases since that date are a result of increases in water production fees established by NHCRWA (pass through charge). AMUC collects and pays these water production fees to the NHCRWA.

The proposed effective date will be effective with the **June 15, 2018** billing cycle, for which Notices will be mailed **May 15, 2018**, and will be reflected on the utility bill mailed on or about **June 20, 2018**, for which payment will be due on or about **July 6, 2018**.

AMUC's tariff states that the NHCRWA fees are passed through to customers as an adjustment to the gallonage charge. Public Utility Commission of Texas Rule 24.21(b)(2)(E) provides for the following formula to be utilized for pass through gallonage rates:

$$R = G/(1-L)$$

R = New Pass Through Gallonage Rate

G = Gallonage charge by NHCRWA

L = Actual Line Loss as a percentage

The April 1, 2018 NHCRWA water production fee increase results in the following new pass-through rate calculation and gallonage charge using the above formula:

$$R = \$3.40/1,000 \text{ gal}/(1-.128) = \$3.90/1,000 \text{ gal}$$

AMUC receives \$1.75/1,000 gallons up to 15,000 gallons, and \$2.40/1,000 gallons over 15,000 gallons out of the above rates, which was approved by TCEQ in 1993. Accordingly the new Adjusted Gallonage Rates for AMUC and NHCRWA fees are as follows:

$$\text{Adjusted Gallonage Rate 0 to 15,000 gal} = \$1.75/1,000 \text{ gal} + \$3.90/1,000 \text{ gal} = \$5.65/1,000 \text{ gal}$$

$$\text{Adjusted Gallonage Rate above 15,000 gal} = \$2.40/1,000 \text{ gal} + \$3.90/1,000 \text{ gal} = \$6.30/1,000 \text{ gal}$$



UPDATED 12/5/16

**UPDATED PRICING POLICY
OF THE NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
(Effective April 1, 2017)**

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, 2017, the following Cost of Water will apply to and be due by users of Water within the Authority:

Authority Water	\$3.35 per 1,000 gallons
Water pumped from a Non-Exempt Well	\$2.90 per 1,000 gallons
Imported Water	\$2.90 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.