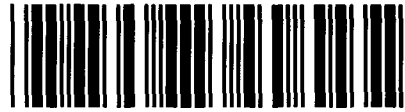




Control Number: 48206



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**ALBURY MANOR UTILITY COMPANY**

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

2018 APR 19 AM 10:05

April 19, 2018

To: Ms. Katheryn Eiland  
Public Utility Commission of Texas  
Via email

From: Kenneth Streeter  
Manager  
AMUC

Re: AMUC Revised Notice to Customers  
PUC Docket No. 48206

Ms. Eiland, attached hereto is a copy of the Revised Draft Notice to Customers for the proposed Pass-Through Tarriff revision for the April 1, 2018 NHCRWA rate increase.

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**ALBURY MANOR UTILITY COMPANY**

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

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](http://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**.

The present pass-through calculation and adjusted gallonage charge increasing the NHCRWA fee from \$2.40/1,000 gal to \$2.90/1,000 gal (as noticed to customers on May 15, 2017 and being effective June 15, 2017) is as follows:

$$AG = \$4.41 + [(\$2.90 - \$2.40)/(1 - .06)] = \$4.94/1,000 \text{ gallons up to 15,000 gallons.}$$

$$AG = \$5.06 + [(\$2.90 - \$2.40)/(1 - .06)] = \$5.06/1,000 \text{ gallons over 15,000 gallons.}$$

AMUC's tariff states that 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 charges:

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

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, which increases the NHCRWA rate from \$2.90/1,000 gal to \$3.40/1,000 gal, 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 including both AMUC and NHCRWA fees are as follows:

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

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