

Control Number: 48462



Item Number: 3

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APPLICATION OF MANVEL §
TERRACE UTILITIES, INC. FOR A §
PRICE INDEX RATE ADJUSTMENT §

PUBLIC UTILITY COMMISSION
OF TEXAS

2018 JUL 13 PM 1:59

PUBLIC UTILITY COMMISSION
FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND RECOMMENDATION ON FINAL DISPOSITION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on Administrative Completeness and Recommendation on Final Disposition in response to Order No. 1. Staff recommends the application be approved. In support thereof, Staff shows the following:

I. BACKGROUND

On June 13, 2018, Manvel Terrace Utilities, Inc. (Applicant) filed an application for a price index rate adjustment under Tex. Water Code § 13.1872 (TWC) and 16 Texas Administrative Code (TAC) § 24.36.

On June 15, 2018, the Administrative Law Judge (ALJ) issued Order No. 1 requiring Staff to file a recommendation on the administrative completeness of the application and notice on or before July 13, 2018. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum of Sherrie Keylon in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be found administratively complete and accepted for filing under TWC § 13.1872 and 16 TAC § 24.36.

III. RECOMMENDATION ON FINAL DISPOSITION

Staff conducted a technical review of the application pursuant to TWC § 13.1872 and 16 TAC § 24.36. Pursuant to TWC § 13.1872 and 16 TAC § 24.36, the Commission may adjust the rates of a Class C utility without the need for a hearing. Based upon the attached memorandum of Sherrie Keylon of the Commission's Water Utility Regulation Division, Staff recommends approval of the application for an increase in water rates for the Applicant. Approval of the application would result in the approval of the Applicant's proposed rates reflected in the attached

memorandum. Staff has attached compliance tariff pages reflecting the proposed rate adjustment to this pleading. Applicant proposed an effective date of approved increase of July 31, 2018. Staff recommends a different effective date of August 31, 2018 to coincide with an appropriate billing cycle and to meet the 30 day notice requirement.

IV. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for further processing of this docket:

Event	Deadline
Deadline for Applicant to provide notice to customers	July 31, 2018

V. CONCLUSION

For the reasons stated above, Staff recommends that the application be deemed administratively complete. Staff further recommends the application be approved and the Applicant be ordered to provide notice of the proposed change using only the notice page as approved by the Commission at least 30 days before the effective date of the proposed change.

Dated: July 13, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



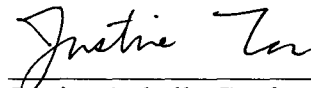
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DOCKET NO. 48462

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on July 13, 2018, in accordance with 16 TAC § 22.74.



Justine Isabelle Caedo Tan

PUC Interoffice Memorandum

To: Justine Isabelle Tan, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Water Utility Regulation

From: Sherrie Keylon, Financial Analyst
Water Utility Regulation

Date: June 27, 2018

Subject: **Docket No. 48462:** *Application of Manvel Terrace Utilities for a Price Index Rate Adjustment*

On June 13, 2018, Manvel Terrace Utilities (Applicant) filed an application for a price index rate adjustment. Pursuant to Tex. Water Code Ann. § 13.1872 and 16 Tex. Admin. Code (TAC) § 24.36(c) a utility may request an increase to its tariffed monthly fixed customer or meter charges and monthly gallonage charges. In this case, the Applicant is requesting approval to adjust its water tariff monthly meter charge and monthly gallonage rates based upon the Commission price index of 3.50%. The Applicant provided:

- 1) A completed Class C Water or Sewer Utility Request for a Price Index Rate Adjustment;
- 2) A proposal for the provision of notice for the approved price index change; and,
- 3) A request for good cause exception for filing in June versus their assigned month of September. The Applicant filed a price index adjustment application in December of 2016, but no filings were made by the Applicant in 2017.

The notice submitted with the Application did not provide for 30 day notice prior to the effective date as required by 16 TAC § 24.36(e). The Applicant correctly proposed increasing the gallonage rate for water from \$3.78 to \$3.91 per 1,000 gallons. The following table includes the previously approved and proposed water base rate by meter size:

Meter size (includes 1000 gallons)	Approved tariff base rate	Proposed Rate Adjustment
5/8" or 3/4"	\$32.35	\$33.48

Staff identified that the Applicant correctly calculated billing comparisons for water using the base rate and block gallonage charges from the previous tariff rates and the proposed tariff rates.

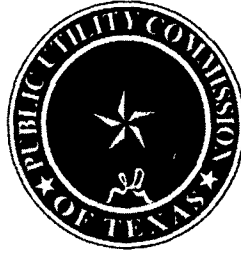
Staff requests that the Applicant submit an annual report, which was due on June 1, 2018 for operations completed December 31, 2017, as required by 16 TAC § 24.73. Instructions for submitting an annual report can be found on the Commission's website:

<http://www.puc.texas.gov/industry/water/Forms/Forms.aspx>.

Staff also requests that the Applicant continue to file every year in a timely manner.

Based upon review of the information submitted with the application, Staff recommends that the Commission:

- a) Approve the application in accordance with Staff's recommended effective date and attached tariff.
- b) Approve the request for a good cause exception to the June filing requirement.
- c) Order the Applicant to provide amended notice (attached) in accordance with 16 TAC § 24.36(e)(4) by July 31, 2018.
- d) Approve the effective date of August 31, 2018 to coincide with an appropriate billing cycle and to meet the 30 day notice requirement.



**WATER UTILITY TARIFF
Docket Number 48462**

Manvel Terrace Utilities, Inc.
(Utility Name)

2460 Country Club Drive
(Business Address)

Pearland, Texas 77581
(City, State, Zip Code)

(281) 485-0550
(Area Code/Telephone)

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

12080

This tariff is effective in the following county:

Brazoria

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Manvel Terrace Subdivision (PWS 0200102)

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	10
APPENDIX A	DROUGHT CONTINGENCY PLAN	
APPENDIX B	SAMPLE SERVICE AGREEMENT	

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$33.48</u> (Includes 1000 gallons)	<u>\$3.91</u> per 1000 gallons

FORM OF PAYMENT: THE UTILITY WILL ACCEPT THE FOLLOWING FORM(S) 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 TO REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE..... \$400.00
 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 (Large meter)..... Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE ACTUAL COST TO RELOCATE METER 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.

SECTION 1.0 - RATE SCHEDULE (CONT.)

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..... \$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 TNRCC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING 30 TAC 24.21(K)(2).

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.