



Control Number: 48523



Item Number: 12

Addendum StartPage: 0

RECEIVED
2018 NOV -9 AM 10:42

APPLICATION OF DOUBLE DIAMOND
PROPERTIES CONSTRUCTION CO.
D/B/A ROCK CREEK RESORT FOR
APPROVAL OF A PASS-THROUGH
RATE CHANGE

§
§
§
§
§

PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

**DOUBLE DIAMOND PROPERTIES CONSTRUCTION CO.'S RESPONSE TO
COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS AND NOTICE**

COMES NOW, Double Diamond Properties Construction Co. dba Rock Creek ("Double Diamond"), by and through its attorneys of record, and files this Response to Commission Staff's Supplemental Recommendation. In support thereof, Double Diamond shows the following:

I. BACKGROUND

On July 10, 2018, Double Diamond filed for approval of a pass-through rate change to implement its approved purchased water pass-through clause. On July 17, 2018, the Administrative Law Judge issued a Notice requiring PUC Staff to file a recommendation on the application. On August 14, 2018, PUC Staff filed its recommendation and requested that Double Diamond submit information responsive to its request. On August 15, 2018, the Administrative Law Judge issued a Notice finding the application and notice incomplete and deficient. The Administrative Law Judge requested Double Diamond to file supplemental information to cure the deficiencies no later than September 17, 2018, and to provide new notice to its customers no later than October 1, 2018. Double Diamond provided new notice to its customers on September 6, 2018, and filed its Response to Commission Staff's Recommendation on September 10, 2018.

On October 1, 2018, PUC Staff filed its supplemental recommendations and requested that Double Diamond submit information responsive to its request. On October 4, 2018, the Administrative Law Judge filed a Notice Finding the Application Incomplete and Deficient; and Establishing an Opportunity to Cure requesting Double Diamond file supplemental information to cure the deficiencies no later than October 30, 2018. On October 29, 2018, Double Diamond filed an Unopposed Request for Extension of Time to respond to the deficiencies noted by Commission Staff. The Administrative Law Judge filed a Notice Granting Request for Extension on October 30, 2018, granting Double Diamond's request to file its supplemental information on or before November 9, 2018.

II. SUPPLEMENTAL INFORMATION

Double Diamond's responses to Commission Staff's supplemental recommendation and requests for additional information are included in Exhibit 1. With this information, Double Diamond respectfully submits that the application is complete and that PUC Staff should provide the approved tariff pages.

Respectfully submitted,

JACKSON WALKER L.L.P.



ALI ABAZARI

State Bar No. 00796094

aabazari@jw.com

100 Congress Avenue, Suite 1100

Austin, Texas 78701

512-236-2000

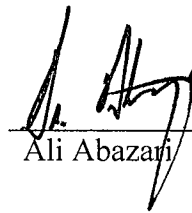
512-236-2002 (Fax)

ATTORNEY FOR DOUBLE DIAMOND
PROPERTIES CONSTRUCTION CO. D/B/A
ROCK CREEK RESORT

CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record on November 9, 2018, in accordance with P.U.C. Procedural Rule 22.74.

Skyler Springsteen Collins
Attorney-Legal Division
Public Utility Commission of Texas
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326
Ph: 512/936-7203
Skyler.Collins@puc.texas.gov



Ali Abazari

EXHIBIT 1

1. Copies of all billings from the District going back to July 19, 2019, the date they began supplying water.

RESPONSE: See Attachment A.

2. Explain how water use is account for in the marina, clubhouse, pool, and any other shared facility.

RESPONSE: The facilities indicated above are all metered and billed the same as any other retail connection on the system.

3. Explain the reason there is no provision in the tariff for over-recovery resulting when payments from customers for purchased water from the District exceed the Applicant's costs.

RESPONSE: The pass-through provision currently contained in Double Diamond's tariff was negotiated between staff and Double Diamond in PUC Docket No. 46247. Double Diamond will work with staff to develop a pass-through provision that is acceptable.

4. Provide a proposal for a pass-through true up that includes under-recovery as well as over-recovery, a true-up report that includes:
 - a. All calculations and assumptions used for the true-up
 - b. A comparison between annual amounts billed by the District included in the pass-through provision and amounts billed using the pass-through mechanism by the Applicant to customers in the pass-through period and,
 - c. A summary report, by year, for the lesser of all years prior or five years prior to the pass-through period showing the same information detailed in section (b), with a reconciliation to the utility's financial books and records, if there is a difference in any year.

RESPONSE: On November 2, 2018, Double Diamond transmitted a proposal to staff via email. The submitted proposal is included herein as Attachment B. Double Diamond will work with staff to develop an acceptable pass through provision prior to the deadline for staff to submit any supplemental recommendations.

5. Clarify whether the 123 connections provision in Double Diamond's response to the Commission's insufficiency determination in Docket 48523, Attachment 2, Calculation of Purchased Water Pass-Through Clause, includes the 33 Rock Creek Amenities meters, which include a clubhouse/cart bar, boat slip, condos, pool, sales office, ship store, ship store irrigation, etc. that were listed in Double Diamond's response to RCH 1-7 (DDPC0091-00112) in Docket 46247.

RESPONSE: The 123 connections in Double Diamond's initial application refers to meter equivalents, not connections. Please see Attachment C for a complete listing of current meters, by size, and associated meter equivalents as of September 2018.

6. Provide a complete breakdown of the total number of meters Double Diamond has for CCN No. 13235, including the type of meter, such as residential, irrigation (potable and nonpotable), amenities, etc.

RESPONSE: Please see Attachment C.

7. Provide the amount of water produced by the public water system well and the amount purchased from the District for the past 12 months.

RESPONSE: At this time, Double Diamond has purchased no water from the District. Please see Attachment D for a historical record of total water produced

ATTACHMENT A

Northwest Water Dist. P.O. Box 715 • Gordonville, TX 76245
Tel. (903) 523-5886

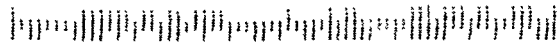
ACCOUNT		DATES OF SERVICE	
100896		7/21/18 - 8/20/18	
SERVICE AT			
ROCK CREEK RESORT 2			
CODE	PRESNT	PREVIOUS	CHARGES
WATER			268.75
REGULATORY FEE			1.34
RECEIVED AUG 27 2018			
CC PAYMENT- 866-542-6182 CLOSED ON SEPT 3RD			
CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE	PAY THIS AMOUNT
R	270.09	9/10/18	270.09

TEMP RETURN
SERVICE REQUESTED

FIRST CLASS MAIL
U.S. POSTAGE PAID
GORDONVILLE, TX
76245
PERMIT NO. 200

ACCOUNT		DUE DATE
100896		9/10/18
AMOUNT DUE AFTER DUE DATE	PENALTY AFTER DUE DATE	PAY THIS AMOUNT
270.09	.00	270.09
PLEASE RETURN THIS STUB WITH PAYMENT		

DDPC
ATTN RANDY GRACY
5495 BELT LINE RD # 200
DALLAS TX 75254



Northwest Water Dist. P.O. Box 715 ♦ Gordonville, TX 76245

Tel: (903) 523-5886

DATES OF SERVICE	
ACCOUNT	100896
8/21/18 - 9/20/18	
SERVICE AT	ROCK CREEK RESORT
2	

CODE	PRESENT	PREVIOUS	USAGE	CHARGES
WATER				268.75
REGULATORY FEE				1.34

RECEIVED SEP 27 2018

CC PAYMENT - 866-542-6182

CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE	PAY THIS AMOUNT
R	270.09	10/10/18	270.09

TEMP-RETURN
SERVICE REQUESTED

FIRST CLASS MAIL
U.S. POSTAGE PAID
GORDONVILLE, TX
76245
PERMIT NO. 200

ACCOUNT		DUE DATE
100896		10/10/18
AMOUNT DUE AFTER DUE DATE	PENALTY AFTER DUE DATE	PAY THIS AMOUNT
270.09	.00	270.09
PLEASE RETURN THIS STUB WITH PAYMENT		

DDPC
ATTN: RANDY GRACY
5495 BELT LINE RD # 200
DALLAS TX 75254

Northwest Water Dist. P.O. Box 715 ♦ Gordonville, TX 76245
Tel: (903) 523-5886

ACCOUNT		DATES OF SERVICE		
100896		9/21/18 - 10/22/18		
SERVICE AT ROCK CREEK RESORT 2				
CODE	PRESENT	PREVIOUS	USAGE	CHARGES
				268.75
				1.34
WATER REGULATORY FEE				
CC PAYMENT- 866-542-6182 HAPPY THANKSGIVING!				
CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE		PAY THIS AMOUNT
R	270.09	11/13/18		270.09

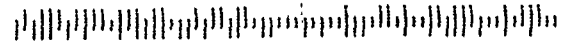
TEMP-RETURN
SERVICE REQUESTED

FIRST CLASS MAIL
U.S. POSTAGE PAID
GORDONVILLE, TX
76245
PERMIT NO. 200

ACCOUNT		DUE DATE
100896		11/13/18
AMOUNT DUE AFTER DUE DATE	PENALTY AFTER DUE DATE	PAY THIS AMOUNT
270.09	.00	270.09
PLEASE RETURN THIS STUB WITH PAYMENT		

RECEIVED OCT 26 2018

DDPC
ATTN: RANDY GRACY
5495 BELT LINE RD # 200
DALLAS TX 75254



ATTACHMENT B

Double Diamond Properties Construction dba Rock Creek Resort
CCN No 13235 / PWS No. 0910147

Calculation of Purchased Water Pass-Through Clause

A \$ 2.20 Fixed Charge Pass-Through per Meter Equivalent
E \$ 0.69 Variable Charge Pass-Through per 1,000 gallons

Variable	Value	Description	Notes / Explanation
A	\$ 2.20	Monthly Pass-Through Base Charge (per Meter Equivalent)	$A = ((B * 12) + C) / (D * 12)$
B	\$ 270.09	Established Northwest Grayson County WCID No. 1 monthly base charge	
C	\$ -	Prior Year Over / (Under) Recovery of Fixed Cost of Purchased Water	
D	123.00	Current Active Meter Equivalents at Rock Creek	

E	\$ 0.69	Monthly Pass-Through Volumetric Charge	$((F * H) - ((G * H) + I)) / (J) / (1-L)$
F	\$ 3.392	Variable Charge from Northwest Grayson County WCID No. 1	
G	\$ 0.88	Variable Cost of Well Production	
H	3,190	Take or Pay Amount (000's)	Higher of 3,190,000 gallons or 75% of prior year Residential Consumption
I	-	Prior Year Over / (Under) Recovery of Variable Cost of Purchased Water	
J	12,302	Total Prior Year Produced/Purchased Volumes (000's)	
L	6.34%	Loss Factor (Not to Exceed 15%)	

** The Pass-Through Charges must be trued-up every twelve (12) months **

Double Diamond Properties Construction dba Rock Creek Resort
 CCN No. 13235 / PWS No. 0910147
 Prior Year Over / (Under) Recovery from Pass-Through

	2017 <u>Year 1</u>	2016 <u>Year 2</u>	2015 <u>Year 3</u>	2014 <u>Year 4</u>	2013 <u>Year 5</u>
Fixed Charges billed by Northwest Grayson County WCID No. 1	\$ -	\$ -	\$ -	\$ -	\$ -
Pass-Through Recovery in Fixed Charge	-	-	-	-	-
(Over) / Under Recovery	\$ -	\$ -	\$ -	\$ -	\$ -
Variable Charges billed by Northwest Grayson County WCID No. 1	\$ -	\$ -	\$ -	\$ -	\$ -
Pass-Through Recovery in Variable Charge	-	-	-	-	-
(Over) / Under Recovery	\$ -	\$ -	\$ -	\$ -	\$ -

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
DDPC Meter Equivalents

	<u>Current</u>	<u>2017 Year 1</u>	<u>2016 Year 2</u>	<u>2015 Year 3</u>	<u>2014 Year 4</u>	<u>2013 Year 5</u>
Residential Connections						
5/8" or 3/4"	73	78	67			
1"						
1 1/2"						
2"						
3"						
Subtotal	73	78	67	-	-	-
Nonresidential Connections						
5/8" or 3/4"	10	10	10			
1"						
1 1/2"						
2"	5	5	5			
3"						
Subtotal	15	15	15	-	-	-
Total Connections						
5/8" or 3/4"	83	88	77	-	-	-
1"	-	-	-	-	-	-
1 1/2"	-	-	-	-	-	-
2"	5	5	5	-	-	-
3"	-	-	-	-	-	-
Subtotal	88	93	82	-	-	-
Equivalency Factors						
5/8" or 3/4"	1.00	1.00	1.00	1.00	1.00	1.00
1"	2.50	2.50	2.50	2.50	2.50	2.50
1 1/2"	5.00	5.00	5.00	5.00	5.00	5.00
2"	8.00	8.00	8.00	8.00	8.00	8.00
3"	15.00	15.00	15.00	15.00	15.00	15.00
Meter Equivalents						
5/8" or 3/4"	83.00	88.00	77.00	-	-	-
1"	-	-	-	-	-	-
1 1/2"	-	-	-	-	-	-
2"	40.00	40.00	40.00	-	-	-
3"	-	-	-	-	-	-
Subtotal	123.00	128.00	117.00	-	-	-

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Historical Cost of Well Production

	2017 <u>Year 1</u>	2016 <u>Year 2</u>	2015 <u>Year 3</u>	2014 <u>Year 4</u>	2013 <u>Year 5</u>
Variable Well Production Expense:					
Chemicals	\$ 4,606	\$ 3,405	\$ 3,808	\$ 6,564	\$ 2,375
Electricity	6,254	6,695	5,520	6,080	4,840
Total Variable Production Expense	\$ 10,860	\$ 10,100	\$ 9,328	\$ 12,644	\$ 7,214
Total Well Production (000's)	12,302	19,028	14,935	-	-
Variable Cost of Well Production per 1,000 gal	\$ 0.88	\$ 0.53	\$ 0.62	-	-

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Historical Water Production/Purchased

	2017 <u>Year 1</u>	2016 <u>Year 2</u>	2015 <u>Year 3</u>	2014 <u>Year 4</u>	2013 <u>Year 5</u>
Well Production					
January	543,000	613,700	360,200		
February	547,900	941,400	499,800		
March	723,200	626,400	370,400		
April	608,400	1,688,700	612,900		
May	945,800	1,252,500	507,000		
June	1,081,104	1,871,300	1,323,300		
July	1,689,300	3,478,600	1,962,300		
August	1,299,400	3,397,400	3,150,800		
September	1,784,400	2,087,000	2,483,700		
October	1,350,500	1,265,700	2,087,400		
November	1,013,700	1,028,700	952,300		
December	715,200	776,300	624,600		
Subtotal	12,301,904	19,027,700	14,934,700	-	-
Water Purchased from District					
January	-	-	-	-	-
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	-	-	-	-	-
June	-	-	-	-	-
July	-	-	-	-	-
August	-	-	-	-	-
September	-	-	-	-	-
October	-	-	-	-	-
November	-	-	-	-	-
December	-	-	-	-	-
Subtotal	-	-	-	-	-
Total Production/Produced					
January	543,000	613,700	360,200	-	-
February	547,900	941,400	499,800	-	-
March	723,200	626,400	370,400	-	-
April	608,400	1,688,700	612,900	-	-
May	945,800	1,252,500	507,000	-	-
June	1,081,104	1,871,300	1,323,300	-	-
July	1,689,300	3,478,600	1,962,300	-	-
August	1,299,400	3,397,400	3,150,800	-	-
September	1,784,400	2,087,000	2,483,700	-	-
October	1,350,500	1,265,700	2,087,400	-	-
November	1,013,700	1,028,700	952,300	-	-
December	715,200	776,300	624,600	-	-
Subtotal	12,301,904	19,027,700	14,934,700	-	-

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Historical Billed Volumes

	2017 <u>Year 1</u>	2016 <u>Year 2</u>	2015 <u>Year 3</u>	2014 <u>Year 4</u>	2013 <u>Year 5</u>
Residential					
January	290,520	-			
February	276,530	-			
March	402,380	-			
April	585,598	-			
May	910,350	-			
June	1,117,760	-			
July	1,063,750	-			
August	902,310	-			
September	1,294,270	-			
October	870,410	87,415			
November	736,550	72,641			
December	397,830	383,300			
Subtotal	8,848,258	543,356	-	-	-
Non-Residential					
January	32,040	-			
February	32,950	-			
March	91,650	-			
April	69,170	-			
May	164,140	-			
June	181,440	-			
July	133,870	-			
August	122,020	-			
September	255,550	-			
October	98,610	2,157			
November	100,950	8,351			
December	51,810	60,310			
Subtotal	1,334,200	70,818	-	-	-
Total Billed					
January	322,560	-	-	-	-
February	309,480	-	-	-	-
March	494,030	-	-	-	-
April	654,768	-	-	-	-
May	1,074,490	-	-	-	-
June	1,299,200	-	-	-	-
July	1,197,620	-	-	-	-
August	1,024,330	-	-	-	-
September	1,549,820	-	-	-	-
October	969,020	89,572	-	-	-
November	837,500	80,992	-	-	-
December	449,640	443,610	-	-	-
Subtotal	10,182,458	614,174	-	-	-

Double Diamond Properties Construction dba Rock Creek Resort
CCN No. 13235 / PWS No. 0910147
Historical Water Loss

	2017 <u>Year 1</u>	2016 <u>Year 2</u>	2015 <u>Year 3</u>	2014 <u>Year 4</u>	2013 <u>Year 5</u>
Water Produced	12,301,904	19,027,700	14,934,700	-	-
Water Purchased	-	-	-	-	-
Total Water Production	12,301,904	19,027,700	14,934,700	-	-
Billed Volumes	10,182,458		-	-	-
Flushing	1,386,500				
Total Used	11,568,958	-	-	-	-
Water Loss	(732,946)	(19,027,700)	(14,934,700)	-	-
Water Loss %	-6.3%	0.0%	0.0%	0.0%	0.0%

(1) DDPC did not start metering water use until October 2016, records prior to this time are incomplete