



Control Number: 49088



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490 88

B & D ENVIRONMENTAL, INC.
200 HARBOR CIRCLE
GEORGETOWN, TEXAS 78633
PHONE NO: (512) 917-7541
FAX NO: (512) 692-1967

EMAIL: bretfenner@yahoo.com

January 9, 2019

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

2019 JAN 10 AM 11:15
PUBLIC UTILITY COMMISSION
FILING CLERK

Re: Application of Nerro Supply, LLC (Utility) For a Pass-Through Rate Change Certificate of Convenience and Necessity (CCN) No. 12252

Enclosed please find the following notice to implement a water use fee clause in the Utility's current tariff to pass-through to affect customers for the Brazos Valley Groundwater Conservation Districts (BVGCD) groundwater production fee. The following items enclosed to support the noticed increase:

1. Notice of pass thru rate increases with all required information and calculations of the increases which was delivered to all affected customers.
2. Documentation showing gallons pumped and gallons consumed for a past 12 month's period.
3. A copy of the BVGCD's Schedule of Fees for 2019 indicating the amount of the pass thru rate increase effective January 1, 2019.
4. Copy of BVGCD invoice to the Utility for the last available 12-month period showing the amount paid. BVGCD does not bill monthly but issues one annual invoice.
5. A copy of the current water rate tariff pages for the Utility's which reflects the calculation of the pass through using the equation in §24.25 (b) of the PUC Rules.

Should you have any further questions concerning this pass thru request, please do not hesitate to contact us at (512) 917-7541.

Sincerely,



Bret W. Fenner, P.E.
B & D Environmental, Inc.

Enclosures

78 004

NOTICE OF PASS THROUGH RATE PROVISION INCREASE

Nerro Supply, LLC

Company Name

12252

CCN Number

is implementing a Brazos Valley Groundwater Conservation District's (BVGCD) pass thru fee gallonage charge of \$0.05 per 1000 gallons for your subdivision. This tariff change is being implemented in accordance with the utility's approved water use fee clause to recognize the BVGCD's production fee for your subdivision. This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.25. The cost to you as a result of this change will not exceed the costs charged to your utility.

Smetana Forest - PWS # 0210010, Lakewood Estates - PWS # 0210042, Oak Forest & Lakeway Manor - PWS # 1970017 and Benchley Oaks - PWS # 0210039

Subdivisions /Systems Affected by Pass Through Provision

P.O. Box 691008

Company Address

Houston

City

TX

State

77269

Zip

281-355-1312

Phone #

January 15, 2019

Date Customer Notice Mailed

January 1, 2019

Effective Date of the Increase

Brazos Valley GCD approved production fee effective January 1, 2019: \$0.04625 per 1,000 gallons

System Average Line Loss: Gallons pumped - Gallons billed) / Gallons pumped
(36,345,000 - 25,021,000) / 36,345,000
11,324,000 / 36,345,000 = .3116 or 31.16% > 15%

Calculation of Adjusted Gallonage Rate:

Adjusted Gallonage Rate $R = G / (1 - L)$, Where:

R = Utility's new proposed pass-through rate, rounded to nearest one cent;

G = approved gallonage charge, per 1,000 gallons;

L = water line loss for 12 month period, not to exceed 0.15 (15%)

$$R = (\$ 0.04625 / (1 - 0.15))$$

$$R = \$ 0.04625 / 0.85$$

$$R = \$ 0.05$$

Brazos Valley GDP Production Pass Through Fee:

This additional pass through fee will be added as a monthly charge for the Brazos Valley Groundwater District Production Fee for the customers in the Smetana Forest, Lakewood Estates, Oak Forest, Lakeway Manor and Benchley Oaks Subdivisions

Brazos Valley Production Fee \$ 0.05 per each additional 1,000 gallons over the minimum

Brazos Valley Systems	<u>Pumped</u>	<u>Billed</u>
N3- Rt 07 Benchley Oaks	17,732,000	12,378,000
N3- Rt 02 Lakewood Estates	8,581,000	4,910,000
N3- Rt 4 Oak Forest Lakeway Manor	5,926,000	4,198,000
N3- Rt 23 Smetana Forest	<u>4,106,000</u>	<u>3,535,000</u>
Total:	36,345,000	25,021,000



Brazos Valley

GROUNDWATER CONSERVATION DISTRICT

Permits & Affidavits

GOVERNANCE

Contact/FOIA Request Form
Drought Status Reports
Rules and Regulations
Conservation News

Water Well Classifications

Exempt Well – (A) All groundwater wells in Brazos and Robertson counties used solely for domestic or livestock use that are either drilled, completed, or equipped so that they are incapable of producing more than 50,000 gallons of groundwater per day. (B) All groundwater wells in Brazos and Robertson counties used for any other purpose other than domestic or livestock use that are either drilled, completed, or equipped so that they are incapable of producing more than 25,000 gallons of groundwater per day.

Non-exempt Well – All groundwater wells in Brazos and Robertson counties used for purposes other than domestic or livestock use or equipped so that they are capable of producing more than 50,000 gallons of groundwater per day.

Permit Applications

- Drill or Register an Exempt well
- Drill or Operate a Non-Exempt Well (1-year or 5-year permit)
- Affidavit of Legal Right to Produce Groundwater (Individual)
- Affidavit of Legal Right to Produce Groundwater (Entity)
- Renew a Non-Exempt Well (1-year or 5-year permit)
- Ownership Transfer of Existing Permitted Well
- Ownership Transfer Exempt Well
- Rain Barrel Rebate Application

Schedule of Fees – 2019

Production Fees

Municipal/Public/RWPS \$0.04625/1000 gals. All metered production produced

All Other Non-Exempt \$0.04625/1000 gals. All metered production produced

Agricultural Use \$0.1875/acre foot For all metered production, or annual produced* permitted production *

Steam Electric Generation \$0.2941/acre foot All metered production produced*

Production Fees

* An acre foot of water equals 325,851 gallons of water

Transport Fee of up to \$0.17/per 1000 gallons produced for metered production transported outside the District

Application Fees

Operating	\$100.00 per application
Drilling/Operating	\$100.00 per application
Amendment	\$100.00 per application

Other Fees

Staff Time	\$50.00 Per Hour
Returned Check Fee	\$25.00
Copies	\$.10/copy
Mailings	Postage
Recording of Board Meeting on CD	\$5.00 Per CD



Brazos Valley Groundwater Conservation
District

PO Box 528
Hearne, TX 77859

Invoice

Date

2/2/2018

Invoice #

36206

Bill To

Jamie Kindred
Compliance Coordinator
Nerro Supply, LLC
PO Box 691008
Houston, TX 77269

Description	Amount
5,398,800 gallons @ \$0.0425 per 1,000 gallons = total annual amount of \$229.45 (RPWS)	1,190.55
31,233,474 gallons @ \$0.0425 per 1,000 gallons = total annual amount of \$1,327.43 (RPWS)	
Water Produced 2017	
Total gallons:36,632,274 Total Amount:\$1,556.88	
Credit of \$0.01/1,000 gallons produced up to 100,000,000 gallons	
-\$366.32	

Thank you for your business.

Total

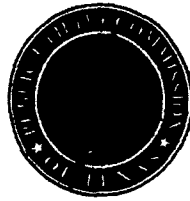
\$1,190.55

Balance Due

\$1,190.55

Phone #

(979) 279-9350



WATER UTILITY TARIFF

Tariff Control Number: 47535

Nerro Supply, LLC
(Utility Name)

5900 Westview Dr.
(Business Address)

Houston, Texas 77055-5418
(City, State, Zip Code)

(281) 355-1312
(Area Code/Telephone)

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

12252

This tariff is effective in the following counties:

Brazos, Burleson, Chambers, Liberty, Montgomery, Robertson and Walker

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

City of Beach City

*Bayridge Water system and Oaks at Houston Point are within the city limits of the City of Beach City.

"The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility."

This tariff is effective in the following subdivisions and public water systems:

See attached list.

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	6
SECTION 3.0 -- EXTENSION POLICY	12
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	16

APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B -- APPLICATION FOR SERVICE

Nerro Supply, LLC

Allendale Water System	1700187	Montgomery
*Bayridge Water System	0360028	Chambers
Hillgreen Water Company	1700539	Montgomery
Loch Ness Cove Water System	1700148	Montgomery
Lost Lake	0360108	Chambers
*Oaks at Houston Point	0360126	Chambers
River Club Water Company	1700185	Montgomery
Riverwood Estates	1460146	Montgomery
Woodhaven Estates	1700481	Montgomery
Sam Houston Forest Subdivision	2360078	Walker
Wildwood Shores	2360078	Walker

The following system/subdivisions were transferred from Brazos Valley Septic & Water, Inc., CCN 13094 in Docket No. 43117:

Apache Hills	0260019	Burleson
Benchly Oaks	0210039	Brazos
Lakeview North	0260010	Burleson
Lakeway Manor	1980017	Robertson
Lakewood Estates	0210042	Brazos
Little Oak Forest	0260037	Burleson
Marshal Oaks	0260010	Burleson
Oak Forest	1980017	Robertson
Smetana Forest	0210010	Brazos
Somerville Place	0260010, 0260021	Burleson
Whispering Woods	0260032	Burleson

Tariff Control No. 47535

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>\$40.78</u> (Includes 0 gallons)	<u>\$2.50</u> per 1000 gallons thereafter
1"	<u>\$101.95</u>	
1½"	<u>\$203.90</u>	*PLUS
2"	<u>\$326.24</u>	Pass through fees below
3"	<u>\$1,019.50</u>	

Pass Through Fee:

*The gallage charge will be increased for customers in the Riverclub/River Ridge subdivision for Pass Through fees related to the San Jacinto River Authority (SJRA)

San Jacinto River Authority (SJRA)..... *\$3.11 per 1000 gallons
(The pass through fees are adjusted for line loss) (Tariff Control No. 47535)

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 SEPTEMBER REQUIRE EXACT CHANGE FOR PAYMENTS AND SEPTEMBER REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND REMIT THE FEE TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$750.00
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 SEPTEMBER 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 SEPTEMBER 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 SEPTEMBER NOT EXCEED \$25.

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**\$50.00**

TRANSFER FEE\$50.00****

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 MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....\$50.00****

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 PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY 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.

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the following formula:

- AG = $G + B/(1-L)$, where
- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons);
- B = change in purchased water/district gallonage charge (per 1,000 gallons);
- L = system average line loss for preceding 12 months not to exceed 15%

To implement or modify the Purchased Water/Underground Water District Fee, the utility must comply with all notice and other requirements of 16 TAC 24.21 (I).