



Control Number: 49092



Item Number: 4

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TARIFF CONTROL NO. 49092

2019 FEB -8 AM 11:00

APPLICATION OF COMMUNITY WATER COMPANY FOR A PASS THROUGH RATE CHANGE	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS
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PUBLIC UTILITY COMMISSION
FILING CLERK

STAFF'S FINAL RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Final Recommendation and would show the following:

I. BACKGROUND

On January 10, 2019, Community Water Company (Community), Certificate of Convenience and Necessity No. 10534, filed an application to implement a pass-through rate change pursuant to 16 Tex. Admin. Code (TAC) § 24.25. The pass-through adjustment is for an increase in purchased water fees assessed by the City of Tyler. Community requests approval to increase its current pass-through charge from \$3.71 to \$3.86 per 1,000 gallons, effective January 20, 2019, for Montgomery Garden's customers.

On January 15, 2019, the Administrative Law Judge issued a notice setting February 9, 2019 as the deadline for Staff to file a recommendation on Community's application and notice. Therefore, this pleading is timely filed.

II. RECOMMENDATION

Staff has reviewed Community's application and notice. As supported by the attached memorandum of Nabarj Pokharel of the Water Utility Regulation Division, Staff finds that the application contains the necessary and sufficient information to be evaluated under 16 TAC § 24.25. In accordance, Staff recommends that Community's application to pass-through to its customers the City of Tyler's fee of \$3.86 per 1,000 gallons be approved, effective January 20, 2019. The revised tariff implementing this rate change for Montgomery Gardens is attached.

Further, notice in this proceeding is governed by 16 TAC § 22.55, which states that the ALJ may require a party to provide reasonable notice to affected persons. Staff reviewed the notice attached to the application and the affidavit filed on January 23, 2019, and determined that the affected customers have been appropriately informed of the proposed rate change.

Therefore, Staff recommends that the application should be approved, notice found sufficient, and no further procedural schedule should be needed.

III. CONCLUSION

Staff respectfully requests the issuance of an order deeming the application and notice sufficient and approving the pass-through rate change.

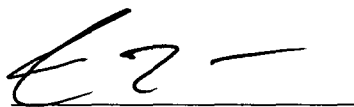
Dated: February 8, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



Creighton R. McMurray
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Austin, Texas 78711-3326
(512) 936-7275
(512) 936-7268 (facsimile)
creighton.mcmurray@puc.texas.gov

DOCKET NO. 49092

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 8th day of February, 2019 in accordance with 16 TAC § 22.74.



Creighton R. McMurray

PUC Interoffice Memorandum

To: Creighton McMurray, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Water Utility Regulation

From: Nabaraj Pokharel, Engineering Specialist
Water Utility Regulation

Date: January 29, 2019

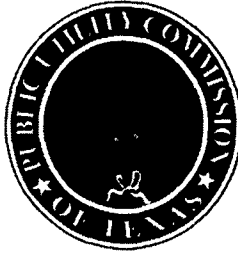
Subject: **Tariff Control No. 49092; Application of Community Water Company for Pass-Through Rate Change**

On January 10, 2019, Community Water Company (Applicant), Certificate of Convenience and Necessity No. 10534 in Smith County, filed an application to implement a pass-through rate change pursuant to 16 Texas Administrative Code § 24.25 for an increase in purchased water fees assessed by the City of Tyler effective on October 1, 2018, and notices to affected customers will be billed on or before January 31, 2019. The Applicant proposes to increase its current pass-through rate from \$3.71 to \$ 3.86 per 1,000 gallons effective January 20, 2019 to all the Montgomery Garden customers. *

Staff reviewed the application and confirmed that the Applicant has correctly calculated the pass-through with the change. Additionally, proper notice was provided to customers prior to the billing period in which the new pass-through rate will take effect.

Staff finds that the application is sufficient and recommends that the Commission:

1. Deem the application sufficient for filing;
2. Approve the pass-through application as filed; and
3. Provide a copy of the approved tariff to the Applicant (attached).



WATER UTILITY TARIFF
Tariff Control Number 49092

Community Water Company
(Utility Name)

1720 South Highway 287
(Business Address)

Corsicana, Texas 75110
(City, State, Zip Code)

903/874-8244
(Area Code/Telephone)

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

10534

This tariff is effective in the following counties:

Ellis, Henderson, Navarro, and Smith

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

Garrett, Purdon and Retreat

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 Commission 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):

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APPENDIX B – APPLICATION FOR SERVICE	

COMMUNITY WATER COMPANY

PWS Name/Subdivision	PWS ID No.	County
Garrett (partially inside the city)	0700026	Ellis
Montgomery Gardens	2120008	Smith
Retreat (partially inside city)	1750031	Navarro
Purdon	1750018	Navarro
Beaton Lakes Estates	1750035	Navarro
Lakewood	1070052	Henderson
Oaks Acres, Tom's Acres (Lakewood Water East)	1070009	Henderson
Lakewood North, Arrowwood (Lakewood Water West)	1070052	Henderson

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>\$48.58</u> (Includes 0 gallons)	* <u>\$6.51</u> per 1000 gallons
1"	<u>\$121.45</u>	
1½"	<u>\$242.90</u>	
2"	<u>\$388.64</u>	
3"	<u>\$728.70</u>	

*City of Ennis purchased water rate included. (Tariff Control No. 46850)

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 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 FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$795.00
 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

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METER TEST FEE \$25.00
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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) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$45.00

TRANSFER FEE.....\$35.00

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

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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

PLUMBING INSPECTION FEE\$50.00

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 § 24.25(b)(2)(G)]

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.

PASS THROUGH PROVISION:

For utilities subject to changes in cost imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

Adjusted Gallonage Rate:

$AG = G+B/(1-L)$, Where:

AG = adjusted gallonage charge, rounded to the nearest one cent

G = approved gallonage charge per 1,000 gallons

B = change in fee (per 1,000 gallons)

L = water or sewer line loss from preceding 12 months, not to exceed 0.15 (15%)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$30.58</u> (Includes 0 gallons)	<u>\$6.93*</u> per 1000 gallons
1"	<u>\$76.45</u>	
1½ "	<u>\$152.90</u>	
2"	<u>\$244.64</u>	
3"	<u>\$458.70</u>	

*City of Corsicana purchased water rate included. (*Tariff Control No. 43594*)

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 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%
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Section 1.02 - Miscellaneous Fees

TAP FEE.....\$795.00
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
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SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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- b) Customer's request that service be disconnected.....\$45.00

TRANSFER FEE.....\$35.00

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LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)\$5.00

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PLUMBING INSPECTION FEE\$50.00

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1"	<u>\$76.45</u>	
1½"	<u>\$152.90</u>	
2"	<u>\$244.64</u>	
3"	<u>\$458.70</u>	

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- b) Customer's request that service be disconnected.....\$45.00

SEASONAL RECONNECTION:

THE SEASONAL RECONNECT FEE SHALL BE THE NUMBER OF MONTHS WITHOUT SERVICE TIMES THE MINIMUM MONTHLY BILL, NOT TO EXCEED SIX (6) MONTHS.

TRANSFER FEE\$35.00

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LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)\$5.00

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1"	<u>\$76.45</u>	
1½"	<u>\$152.90</u>	
2"	<u>\$244.64</u>	
3"	<u>\$458.70</u>	

*City of Corsicana purchased water rate included. (*Tariff Control No. 43594*)

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SECTION 1.0 -- RATE SCHEDULE (Continued)

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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

PLUMBING INSPECTION FEE\$50.00

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

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.

PASS THROUGH PROVISION:

For utilities subject to changes in cost imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

Adjusted Gallonage Rate:

$AG = G+B/(1-L)$, Where:

AG = adjusted gallonage charge, rounded to the nearest one cent

G = approved gallonage charge per 1,000 gallons

B = change in fee (per 1,000 gallons)

L = water or sewer line loss from preceding 12 months, not to exceed 0.15 (15%)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

5/8" or 3/4"	<u>\$30.58</u> (Includes 0 gallons)	* <u>\$3.86</u> per 1000 gallons
1"	<u>\$76.45</u>	
1½"	<u>\$152.90</u>	
2"	<u>\$244.64</u>	
3"	<u>\$458.70</u>	

*City of Tyler purchased water rate included. (Tariff Control No. 49092)

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 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.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$795.00
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 WHICH 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.

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) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$45.00

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE\$35.00
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

PLUMBING INSPECTION FEE\$50.00

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Adjusted Gallonage Rate:

$AG = G+B/(1-L)$, Where:

AG = adjusted gallonage charge, rounded to the nearest one cent

G = approved gallonage charge per 1,000 gallons

B = change in fee (per 1,000 gallons)

L = water or sewer line loss from preceding 12 months, not to exceed 0.15 (15%)

*Annual under recovery amount resulting from take or pay contract will only consider any water not taken by the utility, but required to pay for in the take or pay contract. This amount will be divided by 12 months. This annual true-up will be required at March 1 of each year to be filed as a new application with the Commission. [16 TAC 24.21(b)(2)(D)]