



Control Number: 49535



Item Number: 1

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

EMAIL: [bretfenner@yahoo.com](mailto:bretfenner@yahoo.com)

49535

May 9, 2019

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

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 which eliminated any discount based on total usage.
4. Copy of BVGCD invoice to the Utility for the last available 12-month period showing the amount paid. Because BVGCD issues one invoice annually, the latest available invoice is for 2018.
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

**NOTICE OF PASS THROUGH RATE PROVISION INCREASE**

**Nerro Supply, LLC**  
Company Name

**12252**  
CCN Number

is implementing a change in the Brazos Valley Groundwater Conservation District's (BVGCD) pass thru gallonage fee of \$0.01 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 #

**May 17, 2019**  
Date Customer Notice Mailed

**May 1, 2019**  
Effective Date of the Increase

**Current Tariff Approved Brazos Valley GCD production fee: (Docket No. 49088):**

\$ 0.04 per 1,000 gallons for all water pumped up to 100,000,000 gallons per year

\$ 0.05 per 1,000 gallons for all water pumped greater than 100,000,000 gallons per year

**Brazos Valley GCD approved production fee effective January 1, 2019:** \$0.04625 per 1,000 gallons for all metered production per year

**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**

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



# Brazos Valley

GROUNDWATER CONSERVATION DISTRICT

## Permits & Affidavits

## 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.

[Quick Links](#)

[Contact/FOIA Request Form](#)  
[Drought Status Reports](#)  
[Rules and Regulations](#)  
[Conservation News](#)

## 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 All metered  
gals. produced production

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

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

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

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

Transport Fee of up to \$0.17/per 1000 gallons

**Production Fees**

produced for metered production transported outside the District

**Application Fees**

<b>Operating</b>	\$100.00 per application
<b>Drilling/Operating</b>	\$100.00 per application
<b>Amendment</b>	\$100.00 per application

**Other Fees**

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



Brazos Valley Groundwater Conservation  
District

PO Box 528  
Hearne, TX 77859

# Invoice

<b>Date</b>	2/6/2019
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<b>Invoice #</b>	36743
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<b>Bill To</b>
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Jamie Kindred Compliance Coordinator Nerro Supply, LLC PO Box 691008 Houston, TX 77269
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Description	Amount
26,969,435 gallons @ \$0.0425 per 1,000 gallons = total annual amount of \$1,146.20 (RPWS)	1,058.17
5,589,600 gallons @ \$0.0425 per 1,000 gallons = total annual amount of \$237.56 (RPWS)	
Water Produced 2018	
Total gallons:32,559,035 Total Amount:\$1,383.76	
Credit of \$0.01/1,000 gallons produced up to 100,000,000 gallons -\$325.59	

Thank you for your business.

Total	\$1,058.17
Balance Due	\$1,058.17

Phone #
(979) 279-9350





**WATER UTILITY TARIFF**  
**Tariff Control No: 49088**

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
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APPENDIX A -- SAMPLE SERVICE AGREEMENT  
APPENDIX B -- APPLICATION FOR SERVICE

**Nerro Supply, LLC**

<b>Public Water System/Subdivision</b>	<b>PWS ID #</b>	<b>County</b>
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:

<b>Subdivision</b>	<b>PWS ID Number</b>	<b>County</b>
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

Nerro Supply, LLC  
**Formerly Brazos Valley Septic & Water, Inc.**  
 (Apache Hills, Benchly Oaks, Lakeview North,  
 Lakeway Manor, Lakewood Estates, Little Oak Forest,  
 Marshal Oaks, Oak Forest, Smetana Forest,  
 Somerville Place, Whispering Woods)

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>\$32.58</u> (Includes 0 gallons)	<u>\$2.00</u> per 1000 gallons up to 12, 000 gallons
1"	<u>\$81.45</u>	<u>\$3.00</u> per 1000 gallons, 12,001 gallons and up
1½"	<u>\$162.90</u>	
2"	<u>\$260.64</u>	
3"	<u>\$488.70</u>	
4"	<u>\$814.50</u>	

Pass-Through Fee

An additional charge per 1,000 gallons of water usage for Brazos Valley Groundwater Conservation District (BVGCD) production fees applies to the following subdivisions: Benchley Oaks, Lakewood Estates, Smetana Forest, Lakeway Manor, and Oak Forest

\*BVGCD Production Fee for up to 100,000,000 gallons pumped per year .....\$0.04  
 (Tariff Control No. 49088) per 1,000 gallons of water usage

BVGCD Production Fee for gallons pumped greater than 100,000,000 gallons ..... \$0.05  
 (Tariff Control No. 49088) per 1,000 gallons of water usage

\*Nerro receives a 1.0% credit for the amount pumped annually from BVGCD that is less than 100,000,000 gallons. The resulting approved pass-through fee is: \$0.0325 divided by (1- 0.15) equals \$0.04 per thousand gallons up to 100,000,000 gallons pumped per year; and \$0.05 per thousand gallons, thereafter.

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 REMIT THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$850.00  
 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.

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

SEASONAL RECONNECT FEE: ..... Monthly minimum times number of months off the system, maximum 6 months.

**Tariff Control No. 49088**

**Formerly Brazos Valley Septic & Water, Inc.**  
**(Apache Hills, Benchly Oaks, Lakeview North,**  
**Lakeway Manor, Lakewood Estates, Little Oak Forest,**  
**Marshal Oaks, Oak Forest, Smetana Forest,**  
**Somerville Place, Whispering Woods)**

SECTION 1.0 -- RATE SCHEDULE (Continued)

TRANSFER FEE .....\$45.00  
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. SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

RETURNED CHECK CHARGE .....\$30.00  
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 § 24.25(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.

PURCHASED WATER/ UNDERGROUND WATER DISTRICT FEE PASS THROUGH  
CLAUSE:  
Changes in fees imposed by any wholesale water supplier and/or any ground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the formula:

- AG =  $G + B/(1-L)$ , where:
- AG = adjusted gallonage charge, rounded to nearest one cent
- G = approved per 1,000 gallon gallonage charge
- B = change in district fee (per 1,000 gallons)
- L = system average line loss for preceding 12 months, not to exceed 0.15

To implement or modify the Purchased Water/ Underground Water District Fee, the utility must comply with all notice and other requirements of 16 TAC § 24.25(b)(2)(F).

**Formerly under Brazos Valley Septic & Water, Inc.**  
**(Apache Hills, Benchly Oaks, Lakeview North,  
Lakeway Manor, Lakewood Estates, Little Oak Forest,  
Marshal Oaks, Oak Forest, Smetana Forest,  
Somerville Place, Whispering Woods)**

SECTION 1.0 -- RATE SCHEDULE (Continued)

TEMPORARY WATER RATE:

Unless otherwise superseded by PUC order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its gallonage charge according to the formula:

$$TGC = \frac{cgc + (pr)(cgc)(r)}{(1.0 - r)}$$

Where:

- TGC = temporary gallonage charge
- cgc = current gallonage charge
- r = water use reduction expressed as a decimal fraction (the pumping restrictions)
- pr = percentage of revenues to be recovered expressed as a decimal fraction (i.e. 100% =1.0), for this tariff, pr shall equal 0.5.

To implement the Temporary Water Rate, the Utility must comply with all notice and other requirements of 16 TAC § 24.25(b)(2)(F)