



Control Number: 49625



Item Number: 12

Addendum StartPage: 0

APPLICATION OF CODY & ANITA §
LEWIS DBA WATER WORKS I & II §
FOR A PASS THROUGH RATE §
CHANGE §

2019 OCT 1 AM 10:12
PUBLIC UTILITY COMMISSION
STATE OF TEXAS

STAFF'S RESPONSE TO NOTICE

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas, representing the public interest and files this response. In support thereof, Staff would show the following:

I. BACKGROUND

On June 11, 2019, Cody & Anita Lewis dba Water Works I and II (Water Works), Certificate of Convenience and Necessity No. 11674, 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 a monthly pass-through base fee and a water pass-through gallonage charge for the subdivisions of Water Works I Floyd Acres and Water Works II Island Lodges.

On September 13, 2019, Staff filed its supplemental recommendation on sufficiency and on final disposition. On September 30, 2019, the administrative law judge issued a notice requiring response, requiring Staff to file missing items by October 7, 2019. This pleading, therefore, is timely filed.

II. RESPONSE

Staff inadvertently omitted the memorandum of Spencer English, tariff, and tariff memo. They have been attached to this filing.

III. CONCLUSION

Staff continues to recommend that Water Works' application and notice be found sufficient and that the application be approved.

Dated: October 1, 2019


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Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Rachelle Nicolette Robles
Managing Attorney

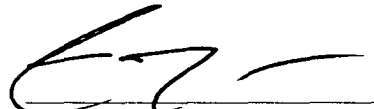


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DOCKET NO. 49625

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 1st day of October 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
Rate Regulation Division

From: Spencer English, Financial Analyst
Rate Regulation Division

Date: September 12, 2019

Subject: **Tariff Control No. 49625; Application of Cody & Anita Lewis dba Water Works I & II for a Pass Through Rate Change**

On June 11, 2019, Cody & Anita Lewis dba Water Works I & II (Applicant), Certificate of Convenience and Necessity No. 11674, filed an application to implement a pass-through rate change pursuant to 16 Texas Administrative Code (TAC) § 24.25 for an increase in the purchased water billed by Corix Utilities Texas, Inc. (Corix).

The Applicant's previously approved pass-through rate for water purchased from Corix included \$18.00 per connection per month for the monthly minimum charge and gallonage rate of \$11.65 (including 15% water line loss) per 1,000 gallons of usage above 1,000 gallons included in the monthly minimum for Water Works I Floyd Acres (Floyd Acres). The previously approved pass-through rate application for Water Works II Island Lodges, (Island Lodges) resulted in rates of \$10.08 per connection per month for the monthly minimum charge plus \$11.65 (including 15% water line loss) per 1,000 gallons of usage above 1,000 gallons included in the monthly minimum.

This application requested a change to the Corix pass-through rate that would result in a monthly minimum charge of \$42.11 per connection per month plus \$13.82 (including 15% water line loss) per 1,000 gallons of usage above 1,000 gallons included in the monthly minimum for Floyd Acres. The application also requests for Island Lodges, a pass-through rate change of \$21.01 per connection per month plus \$13.82 (including 15% water line loss) per 1,000 gallons of usage above 1,000 gallons included in the base rate. The gallonage rate requested includes \$2.07 compensation for line loss of 15% calculated in accordance with the pass-through equation listed on the tariff.

The Applicant included \$12,312 of purchased water in the cost of service, in the previous rate case, according to the TCEQ Application No. 34769-G (TCEQ 34769).¹ Therefore, \$27,288, or \$39,600 minus \$12,312, of the \$39,600 Corix base rate fees billed to the Applicant was requested to be equally divided amongst the two systems, and subsequently divided by the number of connections within each system.²

Staff has determined that the application and notice meet the requirements of 16 TAC § 24.25.

¹ Application at 4.

² *Id.*

Staff recommends that the application be accepted for filing, approved as requested, and that the Commission provide the Applicant a copy of the attached tariff.



WATER UTILITY TARIFF
Tariff Control No.: 49625

Cody B. Lewis dba Water Works I and II
(Utility Name)

P.O. Box 142
(Business Address)

Buchanan Dam, Texas 78609
(City, State, Zip Code)

(325) 379-1329
(Area Code/Telephone)

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

11674

This tariff is effective in the following county:

Llano

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

None

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

Water Works I – Floyd Acres: PWS # 1500018

Water Works II – Island Lodges: PWS # 1500019

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	11

APPENDIX A –DROUGHT CONTINGENCY PLAN

APPENDIX B -- SAMPLE SERVICE AGREEMENT

APPENDIX C – APPLICATION FOR SERVICE

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>\$41.00</u> (Includes <u>1,000</u> gallons) **Plus additional pass-through fees listed below	<u>\$5.00</u> per 1,000 gallons over the minimum **Plus additional pass-through fees listed below

****Corix Utilities, Texas Inc. Pass Through Fees:**

Water Works I Floyd Acres:

\$42.11 added to the monthly minimum charge, plus \$13.82 (including 15% water line loss) per 1,000 gallons over the minimum

Water Works II Island Lodges:

\$21.01 added to the monthly minimum charge, plus \$13.82 (including 15% water line loss) per 1,000 gallons over the minimum

(Tariff Control No. 49625)

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..... \$500.00
 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 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.

Tariff Control No. 49625

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\$50.00

TRANSFER FEE\$30.00

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\$15.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)\$0.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

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 24.21(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.

PASS-THROUGH FORMULA:

The pass-through rate to be charged to each service connection is calculated based on the following Pass Through Adjustment Formula:

Adjusted Base Rate (ABR) = BR / N, Where:

ABR = adjusted base rate, rounded to nearest one cent;

BR = monthly base rate charge of utility provider;

N = number of current active service connections

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

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

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

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

Public Utility Commission of Texas

Memorandum

TO: Central Records

FROM: Spencer English, Financial Analyst
Rate Regulation Division
Creighton McMurray, Attorney
Legal Division

DATE: September 12, 2019

Subject: *Docket No. 49625, Application of Cody & Anita Lewis dba Water Works I & II for a Pass Through Rate Change*

In response to the Notice of Approval filed on September 12, 2019 in Docket No. 49625, please find a clean copy of the tariff for Cody & Anita Lewis dba Water Works I & II, to be filed with Central Records, marked as "Approved," and retained in the Commission tariff book. The attached tariff supersedes the tariff for Cody & Anita Lewis dba Water Works I & II, which may be removed from the Commission tariff book.

All parties to Docket No. 49625 have been copied on this memo.