



Control Number: 50014



Item Number: 7

Addendum StartPage: 0

RECEIVED

APPLICATION OF BIG WOOD §
SPRINGS WATER SYSTEM FOR A §
PRICE INDEX RATE ADJUSTMENT §

PUBLIC UTILITY COMMISSION OF TEXAS
2019 OCT 17 10:34
PUBLIC UTILITY COMMISSION OF TEXAS
SUNSHINE CLEAR

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND RECOMMENDATION ON FINAL DISPOSITION**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation on Administrative Completeness and Recommendation on Final Disposition in response to Order No. 1. In support thereof, Staff shows the following:

I. BACKGROUND

On September 17, 2019, Big Wood Springs Water System, (Applicant) filed an application for a rate adjustment under Tex. Water Code (TWC) § 13.1872 and 16 Texas Administrative Code (TAC) § 24.49.

On September 20, 2019, the Administrative Law Judge (ALJ) issued Order No. 1, requiring the Applicant to file supplemental information by September 24, 2019. On October 4 and 10, 2019, the Applicant filed supplements to the application.

Order No. 1 also required Staff to file a recommendation on the administrative completeness of the application and notice by October 17, 2019. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum of Spencer English, in the Commission’s Rate Regulation Division, Staff has reviewed the application and recommends that it be found administratively complete and accepted for filing under TWC § 13.1872 and 16 TAC § 24.49.

III. RECOMMENDATION ON FINAL DISPOSITION

Staff conducted a technical review of the application under TWC § 13.1872 and 16 TAC § 24.49. Under TWC § 13.1872 and 16 TAC § 24.49, the Commission may adjust the rates of a

Class D utility without the need for a hearing. Based off Mr. English’s memorandum, Staff recommends approval of the application for an increase in water rates for the Applicant. Approval of the application would result in the approval of the Applicant’s proposed rates reflected in the attached memorandum. Staff has attached compliance tariff pages reflecting the proposed rate adjustment to this pleading.

IV. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for further processing of this docket:

Event	Deadline
Deadline for Applicant to provide notice to customers	At least 30 days before the effective date established in the Order approving or modifying Applicant's application ¹

V. CONCLUSION

For the reasons stated above, Staff recommends that the application be deemed administratively complete. Staff further recommends the application be approved and the Applicant be ordered to provide notice of the proposed change using only the notice pages as approved by the Commission at least 30 days before the effective date of the proposed change.

¹ See 16 TAC § 24.49(e). After the Applicant receives a written Order by the Commission approving or modifying the Applicant’s application, including the proposed notice of approved rates, and at least 30 days before the effective date of the proposed change established in the Commission's Order, the Applicant must send by mail, or by e-mail if the ratepayer has agreed to receive communications electronically, the approved or modified notice to each ratepayer describing the proposed rate adjustment.

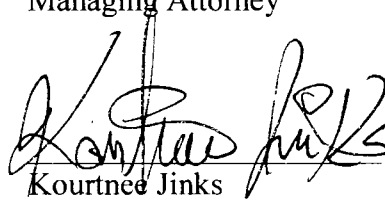
Dated: October 17, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney



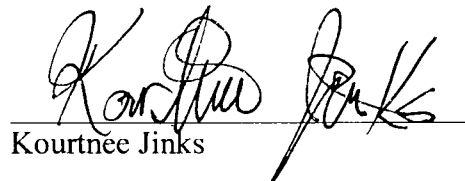
Kourtnee Jinks

State Bar No. 24097146
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7265
(512) 936-7268 (facsimile)
kourtnee.jinks@puc.texas.gov

DOCKET NO. 50014

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 17, 2019, in accordance with 16 TAC § 22.74.



Kourtnee Jinks

PUC Interoffice Memorandum

To: Kourtnee Jinks, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Rate Regulation Division

From: Spencer English, Financial Analyst
Rate Regulation Division

Date: October 15, 2019

Subject: **Application No. 50014; Application of Big Wood Springs Water System for a Price Index Rate Adjustment**

On September 17, 2019, Big Wood Springs Water System (Applicant) filed an application for a price index increase using a Commission form that was obsolete. On October 10, 2019, Applicant filed an amended request using the appropriate Commission form. The amended request using the new form requested an annual rate adjustment for Class D utilities pursuant to Tex. Water Code Ann. (TWC) § 13.1872 and 16 Tex. Admin. Code (TAC) § 24.49(c).¹ The Applicant is requesting approval of a 5.0% annual rate adjustment. The Applicant filed in the appropriate quarter as allowed by 16 TAC § 24.49(f). The Applicant provided:

- 1) A Class D Water or Sewer Utility Request for an annual rate adjustment;
- 2) A proposed notice;
- 3) A copy of the relevant pages of the utility's currently approved tariff and.

This filing is the first annual rate adjustment filed by the Applicant.

The notice provided by the Applicant included a notice date of October 30, 2019, which provides for 30-day notice prior to the effective date as required by 16 TAC § 24.49(e).

The following table includes the previously approved and proposed water base rates by meter size:

Meter size	Current Tariff Base Rate	Proposed Base Rate
5/8" or 3/4"	\$ 20.00	\$ 21.00
Includes 2,000 Gallons	Current Tariff Gallonage Rate	Proposed Gallonage Rate
	\$ 1.50	\$ 1.58

Staff confirmed that the Applicant correctly calculated billing comparisons for water using the base rate and gallonage charge from the current tariff rates and the proposed tariff rates. Staff reviewed the proposed notice and believes that it meets the requirements of 16 TAC § 24.49.

¹ The Commission's rules, including 16 TAC § 24.49(c), are in the process of being updated to reflect the changes to classifications for water utilities passed during the 86th legislative session.

Based upon review of the information submitted with the application, Staff recommends that the Commission:

- a) Approve the amended request for a Class D Rate Adjustment and authorize the Applicant to collect water base rates and gallonage rates as proposed in the application;
- b) Order the Applicant to provide notice to customers by October 30, 2019.
- c) Approve the effective date that is at least 30 days after customers receive notice, to coincide with an appropriate billing cycle and to meet the 30-day notice requirement.
- d) Provide a copy of the approved tariff pages to the Applicant.



WATER UTILITY TARIFF
Docket Number: 50014

Pat McCoy dba Big Woods Springs Water Company
(Utility Name)

P.O. Box 557
(Business Address)

Cumby, Texas 75433
(City, State, Zip Code)

(903) 994-4466
(Area Code/Telephone)

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

12367

This tariff is effective in the following county:

Wood

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:

Big Woods Springs Subdivision/PWS #: 2500019

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	10

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>\$21.00</u> (Includes 2,000 gallons)	<u>\$1.58</u> per 1000 gallons, after minimum

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card, Other (specify) Direct Payment by Banks
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 THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$75.00
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) Nonpayment of bill (Maximum 25.00).....\$25.00
b) Customer's request that service be disconnected.....\$25.00

TRANSFER FEE.....\$25.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE.....\$2.00 OR 5%
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.....\$5.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00