

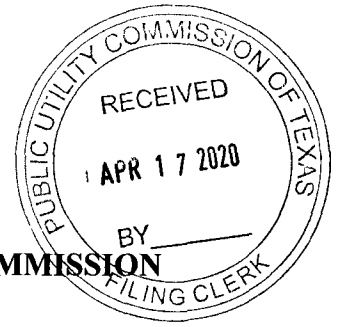


Control Number: 50327



Item Number: 11

Addendum StartPage: 0



TARIFF CONTROL NO. 50327

**APPLICATION OF T&W WATER
SERVICE FOR PASS THROUGH
RATE CHANGE**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S SECOND SUPPLEMENTAL RECOMMENDATION ON
SUFFICIENCY OF NOTICE AND RECOMMENDATION ON FINAL DISPOSITION**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Second Supplemental Recommendation on Sufficiency of Notice and Recommendation on Final Disposition. In support thereof, Staff shows the following:

I. BACKGROUND

On December 9, 2019, T&W Water Service (T&W) (Applicant), operating under Certificate of Convenience and Necessity No. 12892, filed an application for approval of a pass-through rate change related to fees imposed by the Lone Star Groundwater Conservation District (LSGWD) pursuant to 16 Texas Administrative Code (TAC) § 24.25. The proposed pass-through rate change will adjust T&W's pass-through rate to \$0.03 per 1,000 gallons. The requested effective date for the rate change is January 1, 2020.

On January 24, 2020 and March 9, 2020, the administrative law judge (ALJ) issued a notice finding the application administratively complete, but finding the notice issued by T&W insufficient. The March 9, 2020 notice established a deadline of March 20, 2020 for T&W to provide a revised proof of notice to its customers, and a deadline of April 17, 2020 for Staff to file a supplemental recommendation on the sufficiency of the notice. Therefore, this pleading is timely filed.

II. STAFF'S RECOMMENDATION

Staff has reviewed T&W's revised notice and recommends that it be found sufficient and in compliance with 16 Texas Administrative Code (TAC) § 24.25(b)(2)(F)(ii). Accordingly, Staff recommends that the requested changes to T&W's pass-through rates be approved. The revised tariff implementing this rate change for these subdivisions is attached.

III. CONCLUSION

Staff respectfully recommends that the revised notice be found sufficient and that the application be approved and requests the issuance of an order consistent with the above recommendation.

Dated: April 17, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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TARIFF CONTROL NO. 50327

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on April 17, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Taylor P. Denison
Taylor P. Denison



WATER UTILITY TARIFF
Docket Number 50327

T & W Water Service Company
(Utility Name)

12284 FM 3083
(Business Address)

Conroe, Texas 77301
(City, State, Zip Code)

281-367-9566, 800-256-2636
(Area Code/Telephone)

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

12892

This tariff is effective in the following county:

Montgomery, Harris, Liberty

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

City of Conroe

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 or systems:

See attached List of Subdivisions

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 A -- DROUGHT CONTINGENCY PLAN

List of Subdivisions		
SYSTEM/SUBDIVISION	PWS ID NUMBER	COUNTY
Deer Pines Subdivision	1700895	Montgomery
Deer Run	1700700	Montgomery
Emerald Lakes	1700777	Montgomery
Encino Estates	1460187	Liberty
Falls of Wildwood	1700673	Montgomery
Gemstone Estates	1700608	Montgomery
Grand Harbor	1700643	Montgomery
Harborside	1700682	Montgomery
Hidden Springs Ranch	1700696	Montgomery
Hydies Crossing	1013180	Harris
Millers Crossing	1700675	Montgomery
Oaks of Trinity	1460156	Liberty
Old Mill Lake	1700662	Montgomery
Rio Vista (inside city limits of Patton Village, however they surrendered jurisdiction)	1700778	Montgomery
Riverwalk	1700604	Montgomery
Southwind Ridge	1700659	Montgomery
Splendora Woods	1460153	Liberty
Spring Forest Estates	1460153	Liberty
Spring Oaks	1460157	Liberty
Sunrise Ranch	1700686	Montgomery
The Ranch	1460154	Liberty
Thousand Oaks	1700635	Montgomery

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

MONTHLY BASE RATE BY METER SIZE (INCLUDES 0 GALLONS)	Year 1	Year 2
5/8 x 3/4"	\$25.00	\$22.00
1"	\$46.88	\$55.00
1½"	\$85.93	\$110.00
2"	\$148.44	\$176.00
3"	\$179.69	\$352.00
GALLONAGE CHARGE PER 1000 GALLONS		
0 - 10,000 GALLONS	\$2.24	\$2.37 *
10,000 - 20,000 GALLONS	\$2.34	\$2.50 *
> 20,000 GALLONS	\$2.66	\$3.00 *

*San Jacinto River Authority..... \$3.12/1,000 gallons
Applies to all gallonage used in Montgomery County (*Tariff Control No. 49821*)

* Lone Star Groundwater Conservation District..... \$0.03/1,000 gallons
Applies to all gallonage used in Montgomery County (*Tariff Control No. 50327*)

Federal Tax Change Credit Rider

<u>Meter Size</u>	<u>Effective November 1, 2019</u>	<u>Effective December 1, 2019</u>
5/8" x 3/4"	(\$6.34)	(\$0.70)
1"	(\$15.84)	(\$1.76)
1½"	(\$31.68)	(\$3.51)
2"	(\$5.62)	(\$5.62)
3"	(\$10.54)	(\$10.54)

(*Tariff Control No. 49100*)

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

Cash ☐, Check ☒, Money Order ☒, 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 TO THE TCEQ.

SECTION 1.0 -- RATE SCHEDULE (Continued)

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.....\$950.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 1" 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.

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) Other than nonpayment.....\$40.00

TRANSFER FEE.....\$40.00

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

SECTION 1.0 – RATE SCHEDULE (Continued)

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)(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/UNDERGROUND WATER DISTRICT FEE PASS THROUGH PROVISION CLAUSE: For Utilities subject to changes in costs 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:

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

AG = adjusted gallonage charge, rounded to nearest one cent

G = district's or purchased water provider's new approved gallonage charge, per 1,000 gallons

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

FEDERAL TAX CHANGE CREDIT RIDER (FTCCR):

The Federal Tax Change Credit Rider gives effect to the Tax Cuts and Jobs Act of 2017, which changed the federal corporate tax rate from 35% to 21%, by reducing the cost of service paid by customers taking service under this rate tariff. The FTCCR will provide credits to customers taking service under this rate tariff.