



Control Number: 50327



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T & W WATER

50327

2019 DEC -9 AM 9:15

PUBLIC UTILITY COMMISSION
FILING CLERK

December 3, 2019

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

Re: Pass through of LSGWD Fees. Effective date 01/01/2020
CCN No. 12892

To whom it may concern:

I have enclosed the news release from Lone Star Groundwater Conservation District (LSGWD) stating the decrease in fees as well as the calculations & the notice to be sent to the customers and a copy of the current Tariff. T&W Water Service Company (T&W) has mailed the notice to the customers and will implement the fee change on January 1, 2020.

Please note that T&W is only asking for \$0.025 of the total \$0.085 that the LSGWD is charging. The first \$0.06 of this fee was Included in cost of service calculations and approved in TCEQ Docket No. 2008-1403-UCR effective February 1, 2009. Test year for this Docket was FYE 9-30-2007.

If you have any questions or comments please let me know.

Sincerely,

Ronald Payne
President

Lone Star GCD Board Votes to Lower 2020 Water Use Fees

August 14, 2019 - On Tuesday, during the August regular meeting, the Lone Star Groundwater Conservation District (the "District") Board of Directors approved an almost 20% reduction in the 2020 water use fee rate for pumping groundwater in Montgomery County. The Board of Directors approved Resolution No. 19-008, officially adopting water use fees for 2020. The 2020 Operating and Capital Outlay Budget was also approved by the Board of Directors.

District staff worked diligently with Directors Jim Spigener and Larry Rogers to forecast all reasonably anticipated revenues, expenses and activities; and after giving much consideration to these important factors, it was the Directors' recommendation to reduce the regulatory water use fee of \$0.105 per 1,000 gallons to \$0.085 per 1,000 gallons for all groundwater produced from the Chico, Evangeline and Jasper aquifers.

Groundwater produced from the Catahoula aquifer, designated as an alternative water supply, remains unchanged at \$0.06 per 1,000 gallons. Chapter 36 of the Texas Water Code specifically caps the District's water use fees for agricultural use at \$1.00 per acre-feet and for other permitted uses at \$.17 per thousand gallons.

In addition to lowering the water use fees, the Board also acted to unanimously approve the District's 2020 FY Operating and Capital Outlay Budget and approved the promotion of the Interim General Manager, Samantha Reiter, to General Manager for the District.

T Water Service
Calculations / Assumptions for LSGWD Pass Through
Effective Date 1/1/2020

Lone Star Groundwater District Rates

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 district gallonage charge (per 1,000 gallons)
L	=	system average line loss for preceeding 12 months not to exceed 15%

Monthly Increase

		0 to 10,000 <u>Gallons</u>	11,000 to 20,000 <u>Gallons</u>	Over 20,000 <u>Gallons</u>
Current LSGWD passthrough Fee	G	\$0.045	\$0.045	\$0.045
Decrease of LSGWD Pumping Fee starting January 1, 2020	B	<u>-\$0.020</u>	<u>-\$0.020</u>	<u>-\$0.020</u>
Total LSGWD Fee @ 1/1/2020		\$0.025	\$0.025	\$0.025
Water Loss for previous 12 months	L	10.2%	10.2%	10.2%

LSGWD pass through fee charged to
customer using the formula:

Total LSGWD Fee / (1-10.2%)	AG	0.03	0.03	0.03
Gallonage charges per Tariff		2.37	2.50	3.00
Current SJRA Passthrough		<u>3.12</u>	<u>3.12</u>	<u>3.12</u>
Total gallonage charges to customers		\$5.52	\$5.65	\$6.15

— **1999** —

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Notice to Customers

T&W Water Service received notice from Lone Star Groundwater District (LSGWD) regarding a decrease in the pumpage fees they are charging as part of the Montgomery county-wide water use fee. Effective January 1, 2020 LSGWD will be charging \$0.085 per 1,000 gallons. T&W Water Service had included \$0.06 of the \$0.085 that LSGWD is charging in the last rate increase we had in 2008. Therefore, we are only going to pass through the remaining difference of \$0.025 per 1,000 gallons plus the water loss of 10.2% effective January 1, 2020.

Effective Date of Change: January 1, 2020

PRESENT CALCULATION OF CUSTOMER BILLING BEFORE DECREASE:

G = Gallonage Charge by LSGWD = \$0.045

L = water line loss for preceeding 12 months, not to exceed 0.15 (15%) = 7.6%

R = \$0.045 / (1 - .76)

R = \$0.045 / (0.924) = \$0.05

Current Rates	Base Rate with out usage	Charge per 1,000 / gal	Gallonage Charge	SJRA Fee Charge	Current LSGWD Fee	Total Charges
5/8 x 3/4 meter	\$22.00	0 to 10,000 gal	\$2.37	\$3.12	\$0.05	\$5.54
1" meter	\$55.00	11,000 to 20,000 gal	\$2.50	\$3.12	\$0.05	\$5.67
1 1/2" meter	\$110.00	21,000 and >	\$3.00	\$3.12	\$0.05	\$6.17
2" meter	\$176.00					
3" meter	\$352.00					

Example:

5/8 x 3/4" meter using 5,000 gal.	\$22.00 + [5000/1000 * \$2.37]	\$33.85
SJRA Pass Through Fee	5000/1000* \$3.12	\$15.60
LSGWD Pass Through Fee	5000/1000* \$0.05	\$0.25
		<u>\$49.45</u>

CHANGE IN CHARGES TO UTILITY FOR WATER USE FEES EFFECTIVE 01/01/2020

G = Gallonage Charge by LSGWD = \$0.025

L = water line loss for preceeding 12 months, not to exceed 0.15 (15%) = 10.2%

R = \$0.25 / (1 - .102)

R = \$0.025 / (0.898) = \$0.03

Current Rates	Base Rate with out usage	Charge per 1,000 / gal	Gallonage Charge	SJRA Fee Charged	LSGWD Charges	Total Charges
5/8 x 3/4 meter	\$22.00	0 to 10,000 gal	\$2.37	\$3.12	\$0.03	\$5.52
1" meter	\$55.00	11,000 to 20,000 gal	\$2.50	\$3.12	\$0.03	\$5.65
1 1/2" meter	\$110.00	21,000 and >	\$3.00	\$3.12	\$0.03	\$6.15
2" meter	\$176.00					
3" meter	\$352.00					

Example:

Meter Size	5/8 x 3/4" meter using 5,000 gal.	\$22.00 + [5000/1000 * \$2.37]	\$33.85
	Current SJRA Pass Through Fee	5000/1000* \$3.12	\$15.60
	LSGWD Pass Through Fee	5000/1000* \$0.03	\$0.15
			<u>Total \$49.60</u>

This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.21. The cost to you as a result of this change will not exceed the cost charged to your utility.

Public Utility Commission of Texas

Memorandum

2019 OCT 29 AM 10:56
PUBLIC UTILITY COMMISSION
FILING CLERK

TO: Central Records

FROM: Creighton McMurray, Attorney
Legal Division
Emily Sears, Financial Analyst
Rate Regulation Division

DATE: October 29, 2019

RE: **Docket No. 49100, Application of T&W Water Service for a Minor Tariff
Change Resulting from Change in Federal Tax Law**

In response to the Final Order issued on October 14, 2019, in Docket No. 49100, please find a clean copy of the water tariff T & W Water Service Company to be filed with Central Records, marked as "Approved," and retained in the Commission tariff book. The attached water tariff supersedes the water tariff for T & W Water Service Company, which may be removed from the Commission's tariff book. That previous tariff, filed October 22, 2019, inadvertently omitted rates that resulted from Tariff Control No. 49821. The present tariff corrects that omission.

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WATER UTILITY TARIFF
Docket Number 49100

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):

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

List of Subdivisions		
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
Splendor 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.....\$0.05/1,000 gallons
Applies to all gallonage used in Montgomery County (*TCEQ Docket No. 20085-1403-UCR*)

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 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 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 (I).

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.