

Control Number: 50702



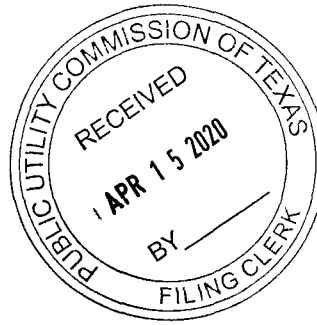
Item Number: 7

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April 15, 2020

Public Utility Commission of Texas
Attn: Central Records
1701 N Congress Avenue, Room 8-100
Austin, Texas 78701



RE: Docket No. 50702: Application of Double Diamond Properties Construction Co. for a Pass-Through Rate Change

Double Diamond Properties Construction Co. ("DDPC") files this supplemental information to cure deficiencies detailed in Staff's filing dated April 9, 2020. The Notice Finding the Application Incomplete and Deficient dated April 13, 2020 required DDPC to file supplemental information on or before May 7, 2020. This filing is therefore timely.

1. The contract between Double Diamond and Northwest Grayson WCID for Purchased Water was not provided.

The requested contract was filed in the Docket on April 8, 2020, and is included as Item No. 4 on the PUC's Interchange within this Docket.

2. The notice does not include a calculation for \$0.66 per 1,000 gallons volumetric charge, as provided by the tariff formula.

An amended notice inclusive of the requested information is included as Pages 9 and 10 in the revised filing package. Please be aware that this notice indicates a lower amount associated with the pass-through charge which is explained further in Item No. 5 below. As previously noted, due to the on-going restrictions associated with COVID-19, it is anticipated this notice will be delivered to customers at the first of May, and DDPC will provide notice of delivery once complete.

3. The tariff pages in the application do not reflect the most recently approved tariff pages in Docket No. 48523 related to meter charge pass-through approval

The attached revised filing package includes the corrected tariff pages. See Pages 6 through 8.

4. An annual true-up meter fee approved in Docket No. 48523 was not provided.

Please see Page 33 of the attached filing package. While DDPC was authorized to charge the pass-through fee, it was never implemented and charged to customers. As such, no pass through fee revenues were collected in 2019.

In addition to the above information, PUC staff had requested the following information during a prior teleconference.

5. Please explain the higher level of water loss that occurred in 2019.

In late 2018, a new Chlorine Contact Tank and Sand Filter System were installed at the Rock Creek Well Site. To maintain the new Sand Filter System, the three filters must be backwashed on a daily basis. In 2019, a total of 4,106,250 gallons of water were used to back-wash the filter system. Once this water is taken into account, the level of water loss is more in alignment with historical values. To reflect this reduced level of water loss, the attached filing package has been amended to reflect the lower 6.8% water loss value which leads to a lower pass-through rate.

6. Please clarify DDPC's requested level of recovery for prior-year costs within the fixed charge within the application.

Within the application, DDPC is only requesting recovery for prior year costs equal to \$10,280.65 which is equal to the amount charged for the volumes paid for but not taken from NW Grayson County WCID No. 1 in accordance with the current contract. This amount is divided into 12 equal monthly installments of approximately \$856.72 and combined with the monthly base charge from the WCID of \$128.50 for total monthly recovery of \$985.22 divided by the number of meter equivalents.

We appreciate your attention to this matter.

/s/ Randy Gracy

Randy Gracy
President
Double Diamond Properties Construction Co.

DOCKET NO. 50702

Application of Double Diamond Properties Construction Co. (CCN No. 13235) For a Pass
Through Rate Change - Minor Tariff Filing Pursuant to 16 TAC § 24.25(b)(2)

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DOUBLE DIAMOND PROPERTIES CONSTRUCTION CO. DBA ROCK CREEK RESORT CCN#13235

This rate change is the implementation of the Purchased Water and/or District Fee Pass Through Clause, page 4 of the current tariff.

Affected Subdivision/System	PWS No.
Rock Creek Resort	0910147

Notices to the affected customers will be mailed with bill on or before March 31, 2020.

The adjustments were made to the volume charge increasing the rates by \$0.61 per thousand gallons and \$985.22 / number of meter equivalents at the beginning of the monthly billing cycle to the monthly base charge in the Rock Creek Resort system.

Any questions concerning this filing may be directed to Chris Ekrut at 972-232-2234 cekrut@newgenstrategies.net or Ali Abazari at aabazari@jw.com.

SECTION 1.0 – RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$ 30.00 (Includes 0 gallons)	\$ 3.63 per 1000 gallons, 1st <u>2,000</u> gallons
1"	\$ 75.00	\$ 3.91 per 1000 gallons, <u>2,001-10,000</u> gallons
1½ "	\$ 150.00	\$ 4.91 per 1000 gallons thereafter <u>>10,001</u>
2"	\$ 240.00	
3"	\$ 450.00	

*Northwest Grayson County WCID No. 1 Purchased Water Pass Through
 \$985.22 / number of meter equivalents at the beginning of the monthly billing cycle
 \$0.61 / 1,000 gallons

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

Cash X, Check X, Money Order X, Credit Card X, 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 Fee

TAP FEE..... \$675.00

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

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..... \$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 (EITHER \$5.00 OR 10% OF THE BILL)..... 10%

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..... \$30.00

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

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

COMMERCIAL & NON-RESIDENTIAL DEPOSIT..... None

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. [P U C SUBST R. 24 21(k)(2)]

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 AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as a separate tariff gallonage charge according to the following formula:

$$G = (R \times I) / (1 - L)$$

$$M = (E + A) / T$$

Where:

G = Pass-through gallonage charge, rounded to the nearest one cent

R = Rate (per 1,000 gallons) charged by Northwest Grayson County WCID No. 1

I = Imputed water subject to the pass through clause, expressed as the percentage of water expected to be purchased (in gallons) divided by total water to be produced from all sources

L = Actual system average line loss for the preceding 12 months not to exceed 0.15

M = Monthly base charge

E = Established Northwest Grayson County WCID No. 1 monthly base charge

A = Annual under recovery amount resulting from take or pay contract*

T = Total number of accounts at the beginning of the monthly billing cycle

*Annual under recovery amount resulting from take or pay contract will only consider any water not taken by the utility, but required to pay for in the take or pay contract. This amount will be divided by 12 months. This annual true-up will be required at March 1 of each year to be filed as a new application with the Commission.

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>\$30.00</u> (Includes 0 gallons)	<u>\$3.63</u> per 1000 gallons, 1 st 2,000 gallons
1"	<u>\$75.00</u>	<u>\$3.91</u> per 1000 gallons, 2,001- 10,000 gallons
1½"	<u>\$150.00</u>	<u>\$4.91</u> per 1000 gallons thereafter
2"	<u>\$240.00</u>	
3"	<u>\$450.00</u>	

Northwest Grayson County WCID No. 1 Purchased Water Pass-Through
\$270.09 / number of meter equivalents at the beginning of the monthly billing cycle
Tariff Control No. 48523

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

Cash X, Check X, Money Order X, Credit Card X, 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 \$675.00
 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. 48523

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) Non-payment 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 (EITHER \$5.00 OR 10% OF THE BILL)..... 10%

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.....\$30.00

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 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.

SECTION 1.0 - RATE SCHEDULE (Continued)

PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:

Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through as a separate tariff gallonage charge according to the following formula:

$$G = (R \times I) / (1 - L)$$

$$M = (E + A) / T$$

Where:

G = Pass-through gallonage charge, rounded to the nearest one cent

R = Rate (per 1,000 gallons) charged by Northwest Grayson County WCID No. 1

I = Imputed water subject to the pass through clause, expressed as the percentage of water expected to be purchased (in gallons) divided by total water to be produced from all sources

L = Actual system average line loss for the preceding 12 months not to exceed 0.15

M = Monthly base charge

E = Established Northwest Grayson County WCID No. 1 monthly base charge

A = Annual under recovery amount resulting from take or pay contract*

T = Total number of accounts at the beginning of the monthly billing cycle

*Annual under recovery amount resulting from take or pay contract will only consider any water not taken by the utility, but required to pay for in the take or pay contract. This amount will be divided by 12 months. This annual true-up will be required at March 1 of each year to be filed as a new application with the Commission.

IMPORTANT CHANGES TO YOUR BILL

Dear Valued Customer:

Double Diamond Properties Construction (DDPC) has entered into a Wholesale Water Supply Agreement with Northwest Grayson County Water Control and Improvement District No. 1. As a result of this contract, and in accordance with our tariff approved by the Public Utility Commission, DDPC will be implementing a pass-through charge on your bill effective on the first meter reading after June 1, 2020 or upon approval of the Public Utility Commission. We are only passing through the cost incurred by us.

The pass-through charge will consist of a volumetric charge of \$0.61/1,000 gallons and a monthly charge, which will be \$985.22/ number of meter equivalents at the beginning of the monthly billing cycle. There are currently 137 meter equivalents, and therefore the meter charge would be \$7.19 (\$985.22/137).

The rates (current and with the pass-through adjustment) are as shown below.

	Current	Pass-Through Adjustment	With Pass-Through Adjustment
Meter Size Charge			
5/8" or 3/4"	\$30.00	\$7.19	\$37.19
1"	\$75.00	\$17.98	\$92.98
1 1/2"	\$150.00	\$35.95	\$185.95
2"	\$240.00	\$57.52	\$297.52
3"	\$450.00	\$107.85	\$557.85
Gallorage Charge (Per 1,000 Gallons)			
0 – 2,000 gallons	\$3.63	\$0.61	\$4.24
2,001 – 10,000 gallons	\$3.91	\$0.61	\$4.52
10,000+ gallons	\$4.91	\$0.61	\$5.52

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.

Double Diamond Properties Construction dba Rock Creek Resort
 CCN No. 13235 / PWS No. 0910147
 Calculation of Purchased Water Pass-Through Clause

G = \$ 0.61 $(R \times I) / (1-L)$
 M = \$ 7.19 $(E + A) / T$

<u>Variable</u>	<u>Value</u>	<u>Description</u>
G =	\$ 0.61	Pass-Through gallons charge, rounded to the nearest one cent
R =	\$ 3.375	Rate (per 1,000 gallons) charged by Northwest Grayson County WCID No. 1
I =	16.73%	Imputed water subject to the pass-through clause, expressed as the percentage of water expected to be purchased (in gallons) divided by total water to be produced from all sources
L =	6.82%	Actual System average line loss for the preceding 12 months not to exceed 0.15

M =	\$ 7.19	Monthly Base Charge (per Meter Equivalent)
E =	\$ 128.50	Established Northwest Grayson County WCID No. 1 monthly base charge
A =	\$ 10,280.65	Annual under recovery resulting from take or pay contract, divided by 12 months (e.x. $\$10,280.65/12 = \856.72)
T =	137	Total number of accounts (meter equivalents) at the beginning of the monthly billing cycle

Double Diamond Properties Construction dba Rock Creek Resort
 CCN No. 13235 / PWS No. 0910147
 Calculation of Purchased Water Pass-Through Clause

G = \$ 0.61 (R x I) / (1-L)
 M = \$ 7.19 (E + A) / T

<u>Variable</u>	<u>Value</u>	<u>Description</u>	<u>Notes</u>
G =	\$ 0.61	Pass-Through gallons charge, rounded to the nearest one cent	(R x I) / (1-L)
R =	\$ 3.375	Rate (per 1,000 gallons) charged by Northwest Grayson County WCID No. 1	Page 14
I =	16.73%	Imputed water subject to the pass-through clause, expressed as the percentage of water expected to be purchased (in gallons) divided by total water to be produced from all sources	Page 11
L =	6.82%	Actual System average line loss for the preceding 12 months not to exceed 0.15	Page 11
M =	\$ 7.19	Monthly Base Charge (per Meter Equivalent)	(E + A) / T
E =	\$ 128.50	Established Northwest Grayson County WCID No. 1 monthly base charge	Page 14
A =	\$ 10,280.65	Annual under recovery resulting from take or pay contract	Page 14
T =	137	Total number of accounts (meter equivalents) at the beginning of the monthly billing cycle	Page 31

Double Diamond Properties Construction dba Rock Creek Resort
 CCN No. 13235 / PWS No. 0910147
 Historical Water Loss

	2019 <u>Year 1</u>	2018 <u>Year 2</u>	2017 <u>Year 3</u>	2016 <u>Year 4</u>	2015 <u>Year 5</u>
Water Produced/Purchased	19,070,090	15,434,210	12,301,904	19,027,700	14,934,700
Total Water Production	19,070,090	15,434,210	12,301,904	19,027,700	14,934,700
Billed Volumes	12,512,760	12,474,015	10,182,458	614,174	-
Flushing	1,234,000	2,511,000	1,386,500	1,925,500	
Sand Filter Back-wash	4,106,250				
Total Used	17,853,010	14,985,015	11,568,958	2,539,674	-
Water Loss	(1,217,080)	(449,195)	(732,946)	(16,488,026)	(14,934,700)
Water Loss %	-6.8%	-3.0%	-6.3%	-649.2%	0.0%

(1) DDPC did not start metering water use until October 2016, records prior to this time are incomplete

Double Diamond Properties Construction dba Rock Creek Resort
 CCN No. 13235 / PWS No. 0910147
 Historical Water Production/Purchased

	2019 <u>Year 1</u>	2018 <u>Year 2</u>	2017 <u>Year 3</u>	2016 <u>Year 4</u>	2015 <u>Year 5</u>
Well Production					
January	870,300	522,200	543,000	613,700	360,200
February	885,700	532,100	547,900	941,400	499,800
March	818,100	991,700	723,200	626,400	370,400
April	1,322,300	955,400	608,400	1,688,700	612,900
May	1,751,600	1,409,300	945,800	1,252,500	507,000
June	1,643,400	2,352,000	1,081,104	1,871,300	1,323,300
July	2,938,200	3,368,500	1,689,300	3,478,600	1,962,300
August	3,835,900	2,847,900	1,299,400	3,397,400	3,150,800
September	2,103,900	1,706,910	1,784,400	2,087,000	2,483,700
October	1,324,200	748,200	1,350,500	1,265,700	2,087,400
November	803,200	-	1,013,700	1,028,700	952,300
December	624,900	-	715,200	776,300	624,600
Subtotal	18,921,700	15,434,210	12,301,904	19,027,700	14,934,700
Water Purchased from District	148,390	-	-	-	-
Total Produced Volumes	19,070,090	15,434,210	12,301,904	19,027,700	14,934,700

Double Diamond Properties Construction dba Rock Creek Resort
 CCN No. 13235 / PWS No. 0910147
 Prior Year Over / (Under) Recovery from Pass-Through

	2019 <u>Year 1</u>	2018 <u>Year 2</u>	2017 <u>Year 3</u>	2016 <u>Year 4</u>	2015 <u>Year 5</u>
Fixed Charges billed by Northwest Grayson County WCID No. 1	\$ 12,051.80	\$ 1,080.36	\$ -	\$ -	\$ -
Pass-Through Recovery in Fixed Charge	-	-	-	-	-
(Over) / Under Recovery	\$ 12,051.80	\$ 1,080.36	\$ -	\$ -	\$ -
Variable Charges billed by Northwest Grayson County WCID No. 1	\$ -	\$ -	\$ -	\$ -	\$ -
Pass-Through Recovery in Variable Charge	-	-	-	-	-
(Over) / Under Recovery	\$ -	\$ -	\$ -	\$ -	\$ -