



Control Number: 52246



Item Number: 1

Addendum StartPage: 0

Lakeland Section 4 Water Operations Office
A-1 Utility & Construction Services, Inc.
27351 Blueberry Hill Drive, Suite 36
Conroe, Texas 77385-8969
Phone (281) 367-0935

2021 JUN 15 PM 12:46
FILING CLERK

52246

June 15, 2021

Public Utility Commission of Texas
PO Box 13326
Austin, Texas 78711-3326

RE: Increase in pass through rate
Lakeland Section 4 Civic Club Water - CCN #12270

To Whom It May Concern,


The above referenced water system is part of the San Jacinto River Authority Groundwater Reduction Plan which currently charges the water system a pumping fee of \$2.73 per 1,000 gallons. The SJRA has notified us that the rate will be increasing from \$2.73 to \$2.88 per 1,000 gallons effective September 1, 2021. This letter is to serve as a request to increase the current pass-through charge of \$3.00 to \$3.16 effective September 1, 2021.

I have included a copy of the SJRAGRP rate increase notification (May 27, 2021) and a copy of the proposed increase in pass through rate that was mailed to all customers receiving water service from the system on June 15, 2021.

I have also included the water loss report generated by our billing software for the previous 12 months and a rate calculation worksheet that was used to calculate the rate change.

Based on 30 TAC 291.21(h)(5) I believe I have included all of the information required in the notice to the commission. In the event additional information, not listed in this section of the Texas Administrative Code, is required, please contact me as soon as possible to complete our request.

Sincerely,


Darcy Tramm, Office Manager
District Operations Company

Enclosures: May 27, 2021 letter from SJRA explaining the rate increase
Copy of notice of proposed increase pass through rate sent to customers 06/15/21
Usage and Loss Report (previous 12 months)
10/01/2019 PUC Notice approving tariff (tariff control #49928)
10/01/2019 Water Tariff pages 1,2 & 2A



San Jacinto River Authority

Notice of Proposed GRP Fiscal Year 2022 Operating Budget and Rates for Participants Effective September 1, 2021

May 27, 2021

Dear GRP Participant:

On May 24, 2021 the GRP Review Committee voted to recommend adoption of a proposed GRP Fiscal Year 2022 Operating Budget, which will require rate increases and amendments to the GRP's Rate Order for Participants. On May 27, 2021, staff presented the recommended budget and Rate Order to the San Jacinto River Authority's (SJRA) Board of Directors and the recommended Rate Order for Participants was adopted. The amended GRP Rate Order is available on SJRA's website at www.SJRA.net/GRP under the "Quick Links" and "GRP Participant Information" tab. We recommend that you review and become familiar with the amended GRP Rate Order.

Effective as of September 1, 2021, the Pumpage Fee and Import Fee will increase from the current rate of \$2.73/1,000 gallons to \$2.88/1,000 gallons, and the Surface Water Fee will increase from the current rate of \$3.15/1,000 gallons to \$3.30/1,000 gallons. These fees generate the revenues necessary to pay for the operation and maintenance of the GRP facilities and to fund debt service. SJRA strives at all times to manage the costs of implementation of the GRP so that the lowest responsible fees are adopted.

Formal adoption of the GRP Division's Fiscal Year 2022 Operating Budget and rates will be presented and considered for approval at the SJRA Board of Directors Meeting on August 26, 2021. A notice will be sent to the GRP Participants following the SJRA Board of Directors approval of the GRP Division's Fiscal Year 2022 Operating Budget.

If you have any questions, please feel free to contact GRP Division staff by telephone at (936) 588-1662.

Sincerely,

Matt Corley
GRP Administrator
San Jacinto River Authority

NOTICE TO CUSTOMERS OF PROPOSED INCREASE IN PASS THROUGH RATE

Lakeland Section Four Civic Club Water System

12270

Water System Name

CCN Number

Your water provider has a pass through rate provision as part of water utility tariff on file with the Texas Public Utility Commission (Commission). **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. Please read all information carefully.**

Lakeland Section 4

77384

Subdivision Affected by Pass Through Provision

Zip Codes Affected by Pass Through Provision

27351 Blueberry Hill Drive, Suite 36 Conroe

Texas

77385-8969

(281) 367-9419

Company Address

City

State

Zip

Phone #

June 15, 2021

September 1, 2021

Date Customer Notice Mailed

Effective Date of the Increase

PASS THROUGH RATE PROVISION: For utilities subject to changes in cost imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases shall be passed through as an adjustment to the base rate and gallonage charge according to the formula:

San Jacinto River Authority Groundwater Reduction Plan (SJRAGRP) Fee

Current tariff approved SJRAGRP fee: (Tariff Control No. 49928) \$3.00 per 1,000 gallons

Revised SJRAGRP fee (September 1, 2021): \$2.88 per 1,000 gallons

The new rate is based on the equation outlined in Title 16, Texas Administrative Code 24.25 (E)

$$R = G / (1 - L)$$

Where: R = new proposed pass through rate (\$ 3.16 per 1,000 gallons)

G = new gallonage charge by SJRAGRP, (\$2.88 per 1,000 gallons)

L = water line loss for preceding 12 months (9% water loss)

$$\text{New Proposed Pass-Through Rate} = [2.88 / 1 - 0.09] = [2.88 / 0.91] = \$3.16$$

This notice is to make you aware that the pumpage fee charged to you on your monthly water bill (SJRAGRP Fee) is increasing \$0.16 from \$3.00 per 1,000 gallons billed to \$3.16 per 1,000 gallons billed effective with bill due 11/16/2021 (water usage from 09/21/2021 to 10/21/2021).

Lone Star Groundwater Conservation District (LSGCD) Fee

Current Tariff approved LSGCD Fee: (Tariff Control No. 49928) \$0.11 per 1,000 gallons

There is no change proposed in the LSGCD Fee on your water bill

The line item labelled as GRP/LSGCD on your monthly water bill is a combination of the SJRAGRP fee and the LSGCD fee.

The current combined rate of these two fees is \$3.11 per 1,000 gallons (\$3.00 SJRAGRP + \$0.11 LSGCD).

The new combined rate will be \$3.27 per 1,000 gallons billed (\$3.16 SJRAGRP + \$0.11 LSGCD).

USAGE AND LOSS REPORT

Lakeland Section 4

Month	Water Pumped	Water Sold	Water Loss Prct	Average Use	Active Meters	Zero Use Meters	Over 50000	40001 50000	30001 40000	20001 30000	10001 20000	8001 10000	6001 8000	4001 6000	2001 4000	1 2000
06-20	544,000	480,000	11.76	4,324	111	20	0	0	0	0	9	6	11	15	27	23
07-20	419,000	407,000	2.86	3,700	110	22	0	0	0	0	6	7	5	11	31	28
08-20	618,000	541,000	12.46	4,918	110	24	0	0	0	2	13	6	10	16	20	20
09-20	676,000	506,000	23.96	4,600	110	20	0	0	0	2	6	7	8	20	27	20
10-20	398,000	532,000	-33.67	4,836	110	23	1	0	0	2	7	2	3	12	29	32
11-20	394,000	362,000	8.12	3,291	110	21	0	0	0	0	4	2	8	15	29	31
12-20	302,000	268,000	11.26	2,436	110	26	0	0	0	0	1	2	3	7	33	38
01-21	334,000	297,000	11.08	2,676	111	26	0	0	0	0	3	1	3	14	32	32
02-21	592,000	517,000	12.67	4,658	111	27	2	0	0	2	6	1	9	11	28	26
03-21	371,000	333,000	10.24	3,000	111	29	0	0	0	2	3	4	2	10	26	37
04-21	479,000	413,000	13.78	3,721	111	26	0	0	0	0	7	6	4	20	20	29
05-21	383,000	346,000	9.66	3,117	111	26	0	0	0	0	5	3	6	12	28	32

12 Month Totals

Total Water Pumped	5,510,000
Total Water Sold	5,002,000
Total Used for Fire/Flush	8,000
Total Water Loss	500,000
Total Water Loss Percent	9.07 %

Monthly Averages

Average Water Pumped	459,167
Average Water Sold	416,833
Average Used for Fire/Flush	667
Average Water Loss	41,667
Average Water Loss Percent	9.07 %
Average Customer Use	3,773

Qualified By: System Totals 06-20 to 05-21
A-1 Utility & Construction

TARIFF CONTROL NO. 49928

APPLICATION OF LAKELAND SECTION	§	PUBLIC UTILITY COMMISSION
FOUR CIVIC CLUB FOR A PASS-	§	
THROUGH RATE CHANGE	§	OF TEXAS

**COMMISSION STAFF'S SUFFICIENCY RECOMMENDATION
AND RECOMMENDATION ON FINAL DISPOSITION**

COMES NOW the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this response to Notice Setting Deadline for Commission Staff's Recommendation on the Application, Staff's Sufficiency Recommendation and Recommendation on Final Disposition. Staff recommends that the application be found sufficient and furthermore that it be approved. In support thereof, Staff shows the following:

I. BACKGROUND

On September 3, 2019, Lakeland Section Four Civic Club (Applicant), Certificate of Convenience and Necessity No. 12270, filed an application to implement two pass-through rate changes pursuant to 16 Texas Administrative Code (TAC) § 24.25 for increases in fees billed by San Jacinto River Authority (SJRA) and Lone Star Groundwater Conservation District (Lone Star). SJRA increased its pumpage fee rates from \$2.65 to \$2.74 per thousand gallons effective September 1, 2019. Lone Star increased its pumpage fee from \$0.06 to \$0.105 per thousand gallons effective January 1, 2018.

On September 5, 2019, the Commission Administrative Law Judge (ALJ) issued Notice Setting Deadline for Commission Staff's Recommendation which established a deadline of October 3, 2019 for Staff to file its recommendation on sufficiency and final disposition. Therefore, this pleading is timely filed.

II. APPLICATION & NOTICE SUFFICIENCY RECOMMENDATION

Staff reviewed Applicant's application filed on September 3, 2019. As indicated in the attached memorandum of Spencer English of the Commission's Water Utility Regulation Division (Attachment A), Staff recommends that the application and notice be found sufficient under 16

TAC § 24.25. Additionally, proper notice was provided to customers prior to the billing period in which the new pass-through rate will take effect.

III. FINAL DISPOSITION RECOMMENDATION

Upon review of Applicant's application on the merits, Staff determined that it complies with the requirements of 16 TAC § 24.25. Therefore, as supported by Mr. Spencer's attached memorandum, Staff recommends that Applicant's application to pass through to its customers Lone Star and SJRA's increased fees be approved, effective September 1, 2019. The revised tariff implementing this pass-through rate change for Applicant is attached (Attachment B). In accordance with this approval recommendation, Staff does not propose a procedural schedule.

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that Applicant's application and notice be found sufficient and that the application be approved.

Dated: October 1, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

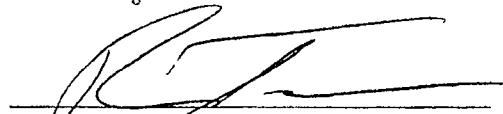


Rustin Tawater
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P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7230
(512) 936-7268 (facsimile)
rustin.tawater@puc.texas.gov

TARIFF CONTROL NO. 49928

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 1, 2019, in accordance with the requirements of 16 TAC § 22.74.


Rustin Tawater

ATTACHMENT A

PUC Interoffice Memorandum

To: Rustin Tawater, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Rate Regulation Division

From: Spencer English, Financial Analyst
Rate Regulation Division

Date: October 1, 2019

Subject: **Tariff Control No. 49928;** *Application of Lakeland Section Four Civic Club for a Pass-Through Rate Change*

On September 3, 2019, Lakeland Section Four Civic Club (Applicant), Certificate of Convenience and Necessity No. 12270, filed an application to implement two pass-through rate changes pursuant to 16 Texas Administrative Code (TAC) § 24.25 for increases in fees billed by San Jacinto River Authority Groundwater Reduction Plan (SJRA) and Lone Star Groundwater Conservation District (Lone Star). SJRA increased its pumpage fee rates from \$2.65 to \$2.74 per thousand gallons effective September 1, 2019. Lone Star increased its pumpage fee from \$0.06 to \$0.105 per thousand gallons effective January 1, 2018.

The Applicant's previously approved pass-through rate for SJRA included a gallonage rate of \$2.74 per 1,000 gallons of usage. The Applicant's previously approved pass-through rate for Lone Star included a gallonage rate of \$0.06 per 1,000 gallons of usage.

This application requested a change to the SJRA pass-through rate that would result in a gallonage rate of \$3.00 (including 9% water line loss of \$0.31) per 1,000 gallons of usage. The gallonage rate requested includes \$0.31 compensation for line loss of 9% calculated in accordance with the pass-through equation listed on the tariff. The application also requests a change to the Lone Star pass-through rate that would result in a gallonage rate of \$0.11 (including 9% water line loss of \$0.005) per 1,000 gallons of usage.

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

ATTACHMENT B



WATER UTILITY TARIFF

Tariff Control Number: 49928

Lakeland Section Four Civic Club, Inc.
(Utility Name)

P.O. Box 9975
(Business Address)

The Woodlands, Texas 77387
(City, State, Zip Code)

281/367-9419
(Area Code/Telephone)

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

12270

This tariff is effective in the following counties:

Montgomery

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

N/A

This tariff is effective in the following subdivisions or systems:

Lakeland Water System, PWS ID# 1700019

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	3
SECTION 3.0 -- EXTENSION POLICY	8
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	10
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" x 3/4"	<u>\$19.13</u> (Includes 3,000 gallons all meters)	<u>\$2.17</u> per 1000 gallons over the minimum *PLUS Additional pass through fees listed below

*Additional Pass-through Fees - apply to all gallage used:

Lone Star Groundwater Conservation District (GCD) Fee \$0.11 per 1,000 gallons
(Approved in Tariff Control No. 49928, includes line loss of 9% or \$0.005.)

San Jacinto River Authority (SJRA)..... \$3.00 per 1,000 gallons
(Approved in Tariff Control No. 49928, includes line loss of 9% or \$0.31.)

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 THE FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE 5/8x3/4" Meter \$450.00
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 (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN
STANDARD 1" METER.

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.

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.

SECTION 1.0 -- RATE SCHEDULE (CONT.)

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.....\$10.00

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

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

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. [30 TAC 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.

PASS-THROUGH PROVISION

Changes in fees imposed by any non-affiliated third-party water supplier or district having jurisdiction over the Utility shall be passed through as an adjustment to the gallonage charge applicable to all gallons used according to the following formula:

$$R = G / (1 - L)$$

Where:

R = the proposed pass-through rate;

G = the new gallonage charge (per 1,000 gallons) by source supplier;

L = the actual line loss for the preceding 12 months, not to exceed 0.15

To implement or modify the Pass-through Provision, the utility must comply with all notice and other requirements of 16 TAC 24.21 (h).