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WATERENGINEERS, INC.

WATER & WASTEWATER TREATMENT CONSULTANTS

17230 HUFFMEISTER ROAD, SUITE A~CYPRESS, TEXAS 77429-1643

TEL: 281-373-0500 FAX: 281-373-1113

November 5, 2021

Public Utility Commission of Texas
Central Records
1701 N. Congress, Suite 8-100
Austin, Texas 78701

Re: Royal Valley Utilities, Inc. Water CCN 12922
Sugar Land Groundwater Reduction Plan Fee Increase
Docket No. 52770

Dear Public Utility Commission of Texas:

Please find enclosed correspondence from the City of Sugar Land indicating that the "Pass Through" pumpage fees that they are charging as part of the City of Sugar Land Groundwater Reduction Plan (SLGRP), of which Royal Lakes Estates and Royal Lakes Manor Subdivisions are out of City members, will increase beginning January 1, 2022. This increase will affect the customers in the Royal Lakes Estates and Royal Lakes Manor Subdivisions. Fees charged by SLGRP will be increasing from \$3.00/1,000 gallons to \$3.61/1,000 gallons (plus an additional \$0.38/1,000 gallons due to minor line loss). See the attached explanation of how the fee was calculated. Also enclosed are a spreadsheet indicating water pumped vs. water sold for the last 12 months, the notice to the customers of Royal Valley Utilities, Inc. that will be mailed on November 23, 2020, and the current tariff.

A similar request for this same CCN was submitted on October 28, 2021 for a different neighborhood (Kingdom Heights) regulated by a different groundwater conservation district (North Fort Bend Water Authority) and assigned Docket 52770. Would it be possible to include this request in that Docket?

This letter represents the formal request by Royal Valley Utilities, Inc. to pass through the additional fees being charged by the Sugar Land Groundwater Reduction Plan to its customers effective January 1, 2022.

If you have any questions or need further information, please let me know.

Regards,
WATERENGINEERS, INC.



Shelley Young, P.E.
Project Engineer



CITY OF SUGAR LAND

SEND
TO
SHELY
TOWN
ASAP

October 20, 2021

Mark Millis
Royal Valley Utilities
The Millis Group
19855 Southwest Freeway, Suite 300
Sugar Land, TX 77479

Re: GRP Pumpage Fee Increase

Dear Mr. Millis:

As the City continues to manage our Groundwater Reduction Plan (GRP), we are implementing capital improvements to ensure compliance with Fort Bend Subsidence District's conversion mandate of 60% alternative water beginning January 1, 2025.

The City's Integrated Water Resource Plan (IWRP) is the guiding compass for water management in the city and its ETJ. The IWRP projects best meet the vision of the community and maintain compliance with regulations. In July of 2021, the City filed the proposed Fiscal Year 2022 operating budget, which includes an increase for the GRP Pumpage Fee effective January 1, 2022:

GRP Pumpage Fee	\$3.01 per 1,000 gallons	(in city participants)
Out of City Pumpage Fee	\$3.61 per 1,000 gallons	(out of city participants)

The water management strategies defined in the IWRP provides clear direction for the City to help us manage these rates and increases in the future.

To read more about the IWRP, please visit www.sugarlandtx.gov/iwrp. Please contact me at any time with questions you have concerning the GRP. You can reach me at 281-275-2450 or by email at bbutscher@sugarlandtx.gov.

Respectfully,

Brian Butscher, P.E.
Director of Public Works

You are receiving this letter as a representative for a Participant in the City of Sugar Land's GRP Group. If you have received this in error, please contact the City of Sugar Land at 281-275-2450 or 311.

Detailed Explanation for the Calculation of the SLGRP Pass-Through Gallonage Rate Adjustment

Royal Valley Utilities, Inc. Water Tariff Fee Pass-Through Calculation for Sugar Land Groundwater Reduction Plan (SLGRP) Water Gallonage Charge is:

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

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

And:

G = \$3.61/1,000 gallons

L = 9.43% (0.0943) for system average line loss (see following spreadsheet)

Therefore:

$$R = \$3.61 / (1 - 0.0943) = \underline{\underline{\$3.99/1,000 \text{ gallons}}}$$

ROYAL VALLEY UTILITIES, INC.
 ROYAL LAKES ESTATES SUBDIVISION
 October 2020 - September 2021

	Pumped	Sold	Total Lost	% Lost	
Oct-20	8,995,800.00	7,935,290.00	1,060,510.00	11.79%	
Nov-20	8,399,000.00	7,410,330.00	988,670.00	11.77%	
Dec-20	5,451,000.00	5,169,020.00	281,980.00	5.17%	
Jan-21	1,990,500.00	1,880,740.00	109,760.00	5.51%	
Feb-21	5,520,400.00	3,239,570.00	2,280,830.00	41.32%	Meter issues during winter freeze
Mar-21	2,631,200.00	3,731,650.00	(1,100,450.00)	-41.82%	
Apr-21	5,587,600.00	5,070,120.00	517,480.00	9.26%	
May-21	5,350,800.00	4,851,480.00	499,320.00	9.33%	
Jun-21	4,703,300.00	4,185,500.00	517,800.00	11.01%	
Jul-21	5,786,200.00	5,051,230.00	734,970.00	12.70%	
Aug-21	6,627,300.00	5,844,090.00	783,210.00	11.82%	
Sep-21	7,193,600.00	6,768,930.00	424,670.00	5.90%	
TOTALS	68,236,700.00	61,137,950.00	7,098,750.00	10.40%	9.43% excluding issues

Dear Royal Valley Utilities Utility Customer (Royal Lakes Estates and Royal Lakes Manor): November 23, 2021

We received notice from City of Sugar Land regarding an increase in the "Pass Through" pumpage fees they are charging as part of the county-wide Groundwater Reduction Plan, effective January 1, 2022. As a result, you will see the Sugar Land Groundwater Reduction Plan (SLGRP) Fee increased from \$3.00/1,000 gallons to \$3.61/1,000 gallons with a 9.43% line loss effective January 1, 2022.

New Water Pass Through Fee Calculation

G = Gallonage charge of SLGRP (per 1,000 gallons) \$3.61

L = water line loss not to exceed 15% 9.43%

R = the proposed pass-through rate = $G/(1-L) = \$3.61/(1-.0943) = \mathbf{\$3.99/1,000 \text{ gallons}}$

Present Billing Calculation for 7,000 gallons of usage in a month: \$56.54

Base Bill: \$20.00

Utility Gallonage Rate: \$2.00/1,000 gallons X 7 = \$14.00

SLGRP Pass Through: \$3.22/1,000 gallons x 7 = \$22.54

New Billing Calculation for 7,000 gallons of usage in a month: \$61.93

Base bill: \$20.00

Utility Gallonage Rate: \$2.00/1,000 gallons X 7 = \$14.00

SLGRP Pass Through: \$3.99/1,000 gallons x 7 = \$27.93

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. If you have any questions regarding the process mentioned above, or the assessed fees by the City of Sugar Land, you may learn more by going to the City of Sugar Land website: www.sugarlandtx.gov/iwrp

Sincerely, Royal Valley Utilities



WATER UTILITY TARIFF
Tariff Control Number: 51533

Royal Valley Utilities, Inc.
(Utility Name)

19855 Southwest Fwy., Ste. 300
(Business Address)

Sugar Land, Texas 77479-6537
(City, State, Zip Code)

(281) 343-1400
(Area Code/Telephone)

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

12922

This tariff is effective in the following counties:

Fort Bend

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

None

This tariff is effective in the following subdivisions or public water systems:

Royal Lakes Estates: PWS# 0790364

Kingdom Heights Subdivision: PWS#0790462

Royal Lakes Manor Subdivision: PWS# 0790364

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

APPENDIX B -- 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> (Includes 0 gallons)	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$20.00</u>	<u>\$2.00</u> per 1,000 gallons (from 0 to 20,000)
1"	<u>\$35.00</u>	<u>\$2.50</u> per 1,000 gallons thereafter
1½"	<u>\$50.00</u>	PLUS
2"	<u>\$65.00</u>	*City of Sugarland's GRP Fee **NFBWA GRP Fee

Pass Through Fees, In addition to the gallage charge:

*City of Sugar Land's Groundwater Reduction Plan (GRP) Fee: \$3.22 per 1,000 gallons (Royal Lakes Estates and Royal Lakes Manor Subdivisions only)

**North Fort Bend Water Authority GRP Fee: \$4.44 per 1,000 gallons (Kingdom Heights Subdivision only)

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 TO REMIT THE FEE TO THE TEXAS COMM TCEQ.

Section 1.02 - Miscellaneous Fee

TAP FEE \$400.00
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.

SECTION 1.0 – RATE SCHEDULE (Continued)

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\$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) 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\$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 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.

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 AN ADJUSTMENT TO THE WATER GALLONAGE CHARGE 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