



Filing Receipt

Received - 2022-07-26 01:35:56 PM
Control Number - 53631
ItemNumber - 17

DOCKET NO. 53631

**APPLICATION OF LAKE LORRAINE § PUBLIC UTILITY COMMISSION
CIVIC ORGANIZATION, INC. FOR §
AUTHORITY TO CHANGE RATES § OF TEXAS**

**APPLICANT LAKE LORRAINE CIVIC ORGANIZATION, INC.'S
RESPONSE TO TEXAS PUBLIC UTILITY COMMISSION ORDER NUMBER ONE**

COMES NOW, LAKE LORRAINE CIVIC ORGANIZATION, INC., the Applicant in the above styled matter and files the following response to the Texas Public Utility Commission Order No. One. In compliance with said Order, we address the five items enumerated in Paragraph II of the Order entitled "Requiring a Response".

Item 1 – The Commission's Jurisdiction over this proceeding – We would contend that the Commission does not have jurisdiction over this proceeding insofar as the complaint challenges the rates being charged by Lake Lorraine Civic Organization ("Lake Lorraine"). The rates currently being charged by Lake Lorraine were authorized by the TCEQ under TCEQ Docket No. 2013-1195-UCR. The Order under that Docket became final in August of 2014. Therefore, it may not be challenged at this late date.

Item 2 – The allegations raised in the complaint – As stated above, the complaint essentially challenges rates that became final nearly a decade ago. They are not subject to challenge at this point. In addition, Lake Lorraine has filed a Rate Change Application with the Commission on 5/23/2022 to reduce the rates. If you look at the complaint, it is an attempt by the complainant to get himself a windfall. However, the only reason the surplus he refers to exists is because the board of Lake Lorraine paid off the loans early. Therefore, Lake Lorraine should be rewarded for its good management in paying off the loans early. As for the complainant's claim that the rates should be reduced immediately, that would be a violation of

§13,1872 of the Texas Water Code that states a utility may not change its rates except by filing an application to do so (it has).

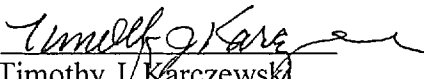
Item 3 – Applicable statutes, rules, orders, and tariff provisions – A copy of the Final Order and the Tariff established by TCEQ Docket No. 2013-1195-UCR is included herewith.

Item 4 – Copies of any rates or tariffs that are the subject of this complaint – See our response to Item 3 above.

Item 5 – Any other matters relevant to the complaint – None that we are aware of.

We trust this resolves this matter.

Respectfully submitted,


Timothy J. Karczewski
State Bar No. 00784370
SKELTON | SLUSHER | BARNHILL |
WATKINS | WELLS PLLC
1616 S. Chestnut Ave
Lufkin, Texas 75901
Telephone: 936.632.3130
Facsimile: 936.632.6545
tkarczewski@ssbww.law

Bryan W. Shaw, Ph.D., P.E., Chairman
Toby Baker, Commissioner
Zak Covar, Commissioner
Richard A. Hyde, P.E., Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 11, 2014

TO: Persons on the attached mailing list.

RE: Lake Lorraine Civic Organization, Inc.
TCEQ Docket No. 2013-1195-UCR; SOAH Docket No. 582-13-5595
Certificate of Convenience and Necessity No. 11357

This letter is your notice that the Texas Commission on Environmental Quality (TCEQ) executive director (ED) has issued final approval of the above-named application. According to 30 Texas Administrative Code (TAC) Section 50.135 the approval became effective on the date the ED signed the approval. A copy of the final approval is enclosed and cites the effective date.

You may file a **motion to overturn** with the chief clerk. A motion to overturn is a request for the commission to review the TCEQ ED's approval of the application. Any motion must explain why the commission should review the TCEQ executive director's action. According to 30 TAC Section 50.139 an action by the ED is not affected by a motion to overturn filed under this section unless expressly ordered by the commission.

A motion to overturn must be received by the chief clerk within 23 days after the date of this letter. An original and 7 copies of a motion must be filed with the chief clerk in person, or by mail to the chief clerk's address on the attached mailing list. On the same day the motion is transmitted to the chief clerk, please provide copies to the applicant, the ED's attorney, and the Public Interest Counsel at the addresses listed on the attached mailing list. If a motion to overturn is not acted on by the commission within 45 days after the date of this letter, then the motion shall be deemed overruled.

You may also request **judicial review** of the ED's approval. According to Texas Water Code Section 5.351 a person affected by the ED's approval must file a petition appealing the ED's approval in Travis County district court within 30 days after the effective date of the approval. Even if you request judicial review, you still must exhaust your administrative remedies, which includes filing a motion to overturn in accordance with the previous paragraphs.

Individual members of the public may seek further information by calling the TCEQ Public Education Program, toll free, at 1-800-687-4040.

Sincerely,

A handwritten signature in cursive script that reads "Bridget C. Bohac".

Bridget C. Bohac
Chief Clerk

BCB/ms

MAILING LIST

for

Lake Lorraine Civic Organization, Inc.

TCEQ Docket No. 2013-1195-UCR; SOAH Docket No. 582-13-5595

Certificate of Convenience and Necessity No. 44357

FOR THE APPLICANT:

Mark H. Zeppa
Law Offices of Mark H. Zeppa, P.C.
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759

FOR THE CHIEF CLERK

via electronic mail:

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality
Office of Chief Clerk MC-105
P.O. Box 13087
Austin, Texas 78711-3087

INTERESTED PERSONS:

Elizabeth Neighbor
579 Lakeway Drive
Montgomery, Texas 77316

Gary T. Noe
1121 Oak Lane
Montgomery, Texas 77316

FOR THE EXECUTIVE DIRECTOR

via electronic mail:

Ruth Takeda, Staff Attorney
Texas Commission on Environmental Quality
Environmental Law Division MC-173
P.O. Box 13087
Austin, Texas 78711-3087

Brian Dickey, Technical Staff
Texas Commission on Environmental Quality
Water Supply Division MC-159
P.O. Box 13087
Austin, Texas 78711-3087

FOR PUBLIC INTEREST COUNSEL

via electronic mail:

Garrett Arthur, Attorney
Texas Commission on Environmental Quality
Public Interest Counsel MC-103
P.O. Box 13087
Austin, Texas 78711-3087

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 11, 2014

Mr. Mark Zeppa, Attorney
Law Office of Mark H. Zeppa, P.C.
4833 Spicewood Springs Rd., Ste. 202
Austin, Texas 78759

Re: Docket No. 2013-1195-UCR; Water Rate/Tariff Change of Lake Lorraine Civic Organization, Inc., Certificate of Convenience and Necessity (CCN) No. 11357, in Montgomery, County; Application No. 37527-R

CN: 600643928; RN: 101987737

Dear Mr. Zeppa:

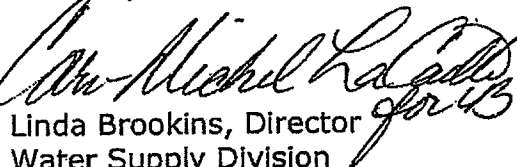
Enclosed are the following documents issued by the Commission in the above referenced application:

- certified copy of an order, and
- approved tariff.

This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

If you have any questions, please contact Ms. Lisa Fuentes by phone at 512/239-6117, or Mr. Brian Dickey at 512/239-0963, or by fax at 512/239-6972. If you contact the TCEQ by correspondence, include MC 153 in the letterhead address.

Sincerely,


Linda Brookins, Director
Water Supply Division

LB/EF/BD/mmg

Enclosures

cc: Mailing list

MAILING LIST
LAKE LORRAINE CIVIC ORGANIZATION, INC.
SOAH DOCKET NO. 582-13-5595
TCEQ Docket No. 2013-1195-UCR

FOR LAKE LORRAINE CIVIC ORGANIZATION,
INC.

Mark Zeppa
Law Office of Mark H. Zeppa, P.C.
4833 Spicewood Springs Rd., Ste. 202
Austin, Texas 78759
markzeppa@austin.rr.com

FOR THE CHIEF CLERK

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality
Office of the Chief Clerk
P.O. Box 13087, MC 105
Austin, Texas 78711-3087

FOR PUBLIC INTEREST COUNSEL

Garrett Arthur, Attorney
Texas Commission on Environmental Quality
Office of Public Interest Counsel
P.O. Box 13087, MC 103
Austin, Texas 78711-3087
garrett.arthur@tceq.texas.gov

PROTESTANTS

Elizabeth Neighbor
579 Lakeway Dr.
Montgomery, Texas 77316
eneigh@aol.com

Gary T. Noe
1121 Oak Lane
Montgomery, Texas 77316

FOR THE EXECUTIVE DIRECTOR

Ruth Takeda, Attorney
Texas Commission on Environmental Quality
Environmental Law Division
P.O. Box 13087, MC 173
Austin, Texas 78711-3087
ruth.takeda@tceq.texas.gov

Brian Dickey, Technical Staff
Texas Commission on Environmental Quality
Water Supply Division
P.O. Box 13087, MC 159
Austin, Texas 78711-3087
brian.dickey@tceq.texas.gov

Elizabeth Flores, Technical Staff
Texas Commission on Environmental Quality
Water Supply Division
P.O. Box 13087, MC 157
Austin, Texas 78711-3087
elizabeth.flores@tceq.texas.gov

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



SOAH DOCKET NO. 582-13-5595
TCEQ DOCKET NO. 2013-1195-UCR
APPLICATION NO. 37527-R

WATER RATE/TARIFF CHANGE
APPLICATION OF LAKE
LORRAINE CIVIC
ORGANIZATION, INC.,
CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) NO.
11357, IN MONTGOMERY
COUNTY

§
§
§
§
§
§
§
§

BEFORE THE TEXAS
COMMISSION ON
ENVIRONMENTAL QUALITY

ORDER

On February 1, 2013, Lake Lorraine Civic Organization, Inc. (Applicant) filed a rate change application for an increase in retail water rates with the Texas Commission on Environmental Quality (Commission or TCEQ) pursuant to Texas Water Code (TWC) § 5.122 and Title 30, Chapter 291 of the Texas Administrative Code (TAC). The Applicant is a public utility as defined in TWC § 13.002(23), holds CCN No. 11357, and provides retail water service in Montgomery County. The application was accepted for filing on February 19, 2013 and assigned Application No. 37527-R.

Notice of the rate change with a proposed effective date of April 7, 2013, was provided by the Applicant to customers on or about January 28, 2013. The notice of the rate increase complied with TWC § 13.187 and 30 TAC § 291.22 and was sufficient to place affected persons on notice of the proposed rate increase. At least ten percent of the Applicant's ratepayers protested the application and the matter was referred to the State Office of Administrative Hearings (SOAH) for a contested case hearing pursuant to 30 TAC § 291.28.

A preliminary hearing in this matter was held at SOAH in Austin, Texas, on September 5, 2013. The Honorable Administrative Law Judge (ALJ) Henry D. Card established jurisdiction on behalf of the Commission and designated the following parties: 1) the Applicant; 2) the Commission's Executive Director; 3) the Commission's Office of Public Interest Counsel; 4) Elizabeth Neighbor (protestant); and 5) Gary Noe (protestant). The parties established a procedural schedule at the preliminary hearing.

The parties subsequently agreed to mediation and on March 28, 2014, ALJ Card referred the matter to the Commission's Alternative Dispute Resolution program. Formal mediation efforts were unsuccessful but the parties continued to negotiate.

On June 4, 2014, the Applicant filed an Announcement of Settlement and Motion to Remand. On June 6, 2014, ALJ Card granted the motion and remanded the matter to the Executive Director for processing pursuant to 30 TAC § 80.101.

The rate structure agreed to by the designated parties, to be effective May 1, 2014, is just, reasonable, and adequate to allow the utility to recover its cost of providing service, as required by TWC § § 13.182 and 13.183. Attached is a tariff reflecting the agreed upon rates.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that:

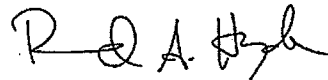
1. The application of Lake Lorraine Civic Organization, Inc., for a water rate change is approved as settled and as reflected in the attached tariff.
2. The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this order to the parties.

3. Unless previously provided, the Applicant shall provide written notice of the final rate structure approved in this proceeding to all affected customers within the next billing cycle after issuance of this Order.

4. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

ISSUE DATE: August 5, 2014

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY



For the Commission

SECTION 1.0 - RATE SCHEDULE

Lake Lorraine Civic Organization, Inc.

Water Utility Tariff Page 2

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$75.08 (Includes 4,000 gallons)	\$2.00 per 1000 gallons from 4,001 to 10,000 gallons \$3.00 per 1000 gallons from 10,001 to 15,000 gallons \$4.00 per 1000 gallons from 15,001 gallons thereafter

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 ASSESSMENT1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE \$250.00
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.

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP.

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37527-R, CCN 11357, MAY 1, 2014
APPROVED TARIFF BY gg / BD

SECTION 1.0 - RATE SCHEDULE

Lake Lorraine Civic Organization, Inc.

Water Utility Tariff Page 2

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	\$75.08 (Includes 4,000 gallons)	\$2.00 per 1000 gallons from 4,001 to 10,000 gallons \$3.00 per 1000 gallons from 10,001 to 15,000 gallons \$4.00 per 1000 gallons from 15,001 gallons thereafter

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 ASSESSMENT1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE \$250.00
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.

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37527-R, CCN 11357, MAY 1, 2014
APPROVED TARIFF BY gg/BD

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.....\$50.00

TRANSFER FEE.....\$0.00

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

LATE CHARGE.....\$5.00

TCEQ 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 TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(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.

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37527-R, CCN 11357, MAY 1, 2014
APPROVED TARIFF BY gg/BD