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DOCKET NO. 55028

APPLICATION OF DRIFTWOOD	§	PUBLIC UTILITY COMMISSION
WATER CONSERVATION, LLC FOR	§	
AN EXEMPT UTILITY	§	OF TEXAS
REGISTRATION	§	

COMMISSION STAFF'S FINAL RECOMMENDATION

On May 22, 2023, Driftwood Water Conservation, LLC (Driftwood) filed an application for an exempt utility registration in accordance with Texas Water Code § 13.242(c) and 16 Texas Administrative Code (TAC) § 24.229(e). Driftwood filed supplemental information on July 27, 2023, August 24, 2023, September 12, 2023, October 30, 2023, and December 22, 2023.

On November 27, 2023, the administrative law judge (ALJ) filed Order No. 6, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a final recommendation on final disposition by January 10, 2024. Therefore, this pleading is timely filed.

I. FINAL RECOMMENDATION

Staff has reviewed the application and, as detailed in the attached memorandum from Jaspinder Singh of the Infrastructure Division, recommends that it be approved. Exempt utility registrations are governed by 16 TAC § 24.229(e) and require a utility to have less than fifteen potential connections to qualify as exempt. As noted in Mr. Singh's memorandum, Driftwood has zero active water connections with a potential to have a maximum of fifteen customer connections once the area is developed. Based on this information, Driftwood meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations for exempt utility registration.

Staff therefore recommends that Driftwood be registered with the Commission as an exempt utility and assigned Exempt Registration No. N0084, and that Driftwood be provided a copy of the attached final map and exempt utility tariff.

II. CONCLUSION

For the reasons discussed above, Staff recommends that the application be approved, and that Driftwood be assigned Exempt Utility Registration No. N0084.

Dated: January 10, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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Division Director

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/s/ Kevin Pierce
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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on January 10, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kevin Pierce
Kevin Pierce

Public Utility Commission of Texas

Memorandum

TO: Kevin Pierce, Attorney
Legal Division

FROM: Jaspinder Singh, Engineering Specialist
Infrastructure Division

DATE: January 10, 2024

RE: Docket No. 55028 – *Application of Driftwood Water Conservation, LLC for an Exempt Utility Registration*

On May 22, 2023, Driftwood Water Conservation, LLC (Driftwood Water), filed an application for registration of an exempt utility under 16 Texas Administrative Code (TAC) § 24.229(e). It was previously stated there were 8 customer connections. There are actually zero customer connections in the requested area and with a potential to have up to 15 customer connections once the area is developed.

Based on the mapping review by Hank Journey, Infrastructure Division:

- The requested area includes zero customer connections and approximately 21 acres that is proposed to obtain a new water exempt utility registration number (N0084).
- The application proposes the addition of approximately 21 acres to obtain a new water exempt utility registration No. (N0084).
- The application does not indicate that the total acreage being requested, however, the mapping review determined the requested area is approximately 21 acres.

Under 16 TAC § 24.229(e), a utility is exempt from the requirement to possess a certificate of convenience and necessity (CCN) in order to provide retail water service if it has less than 15 potential service connections. Based on the information provided, it appears Driftwood Water has less than 15 potential retail water service connections. Driftwood Water asserts that currently there are zero water connections with a potential to have up to 15 customer connections once the area is developed. The requested area includes approximately 21 acres of uncertificated area.

Driftwood Water meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 24 rules and regulations. Therefore, I recommend Driftwood Water

be registered with the Commission as an exempt utility and assigned exempt registration No. N0084, and that Driftwood Water be provided a copy of the attached final map and exempt utility tariff.

The applicant consented to the attached map and tariff on December 22, 2023.


Further, as a retail public utility, Driftwood Water is required to collect and remit the Regulatory Assessment Fee (RAF) to the Commission annually. For investor-owned utilities, this fee is 1% of the amount the utility will receive for providing water utility service.

PUCT Docket No. 55028
Driftwood Water Conservation, LLC
Exempt Water Utility
Exempt Utility Registration No. N0084
Hays County




Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Exempt Water Utility

 N0084 - Driftwood Water Conservation LLC

Water CCN

 13254 - Aqua Texas Inc

0 125 250
Feet



Map by: Komal Patel
Date: October 11, 2023
Project: 55028DriftwoodWC.mxd

Driftwood Water Conservation, LLC

EXEMPT UTILITY INFORMATION FORM

01/01/2024

Effective Date

Driftwood Water Conservation, LLC

(Water system Name)

(512) 256-5676

(Phone Number)

8940 FM 150

(Utility Address)

Driftwood

(City)

TX

(State)

78619

(Zip Code)

WATER

Rate Schedule

Residential

\$125.00

Commercial/Tenant

\$125.00

Monthly Minimum Charge

(INCLUDING 0 GALLONS)

(INCLUDING 0 GALLONS)

Gallage Charge

\$17.25

per 1000 gallons

\$17.25

per 1000 gallons

TAP FEE \$750.00

OTHER EXTENSION FEES

REGULATORY ASSESSMENT 1.0%

A REGULATORY ASSESSMENT EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY.
MUST BE COLLECTED FROM EACH RETAIL CUSTOMER

RECONNECTION FEE

THIS RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER
WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non-payment of bill (not to exceed \$25 without justification) \$25.00
- b) Customer's request \$50.00
- c) Other Reasons (specify)

LATE CHARGE 10%

For bill not received by due date

RETURNED CHECK CHARGE Per Bank Charge \$35.00

CUSTOMER DEPOSIT \$0.00

METER TEST FEE (Not to exceed \$25) \$25.00

The attached Service Rules are part of the tariff.

CUSTOMER NOTICE: TIES UTILITY SERVICE PROVIDER IS EXEMPT FROM MANY OF THE REQUIREMENTS FOR UTILITIES, BUT IT STILL MUST COMPLY WITH THESE SERVICE RULES. THE COMMISSION WILL NOT REVIEW RATE CHANGES UNLESS PROTESTED BY AT LEAST 50% OF THE CUSTOMERS WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF THE RATE CHANGE.

REQUIRED SERVICE RULES AND REGULATIONS FOR EXEMPT UTILITIES

Rate Changes

Rates can be changed no more than once per year without the approval of the commission. Customers will be given a notice of rate change which states the effective date of the rate change, the old rates, the new rates, the commission's address and a statement that written protests can be submitted to the commission.

Application for and Provision of Water Service

All new applicants will be given a copy of this Exempt Utility Tariff.

Where service has been disconnected for nonpayment of a bill, service will be reconnected within one working day after the customer has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service line from the utility's point of connection on the customer's property to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Refusal of Service

This exempt utility is **not required** to have a designated service area and is **not obligated** to serve every applicant for service but is required to provide service in a nondiscriminatory manner.

Customer Deposits

Refund of deposit - If service is not connected, or after permanent disconnection of service to a customer, the utility will promptly refund, within 30 days, the customer's deposit or the balance, if any, in excess of the unpaid bills for service furnished.

Meter Requirements, Readings, and Testing

One meter or connection may be required for each customer. The exempt utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make a test of the accuracy of the customer's meter. The test may be made using a container of known volume.

A meter test will cost \$ **50.00** Following the completion of any requested test, the utility will promptly advise the customer in writing of the results. If the meter is in error by more than 3% the meter should be replaced at the utility's expense. Meters will be read at MONTHLY (preferably monthly) intervals.

Billing

Bills from the utility will be mailed at intervals specified in the service agreement. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees, is not received at the designated payment location by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

Late Fee

A late penalty may be charged (if listed on the tariff) on bills received after the due date. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide the following information (at a minimum): The total amount due for water service, the due date of the bill and a telephone number (or numbers) for customers to call if they have questions.

Metered Service

If service is metered the bill must also state the date and reading of the meter at the beginning and end of the period for which the bill is rendered, and the numbers of gallons consumed.

Service Disconnection and Disputed Bills

If a customer or applicant for service files a complaint about all or a portion of the bill, the utility will promptly investigate the matter and advise the complainant of the results. Service may not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he/she has recourse through the Public Utility Commission of Texas complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

The exempt utility is encouraged, **but not required**, to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of disconnection has been given.

Notice of disconnection must be a separate mailing or hand delivery.

Utility service may also be disconnected without notice if an imminent hazard to the utility system exists.

The utility is required to reconnect service after a customer who has been disconnected for nonpayment pays a delinquent bill and any other applicable fees in accordance with this tariff and any applicable service agreement. The utility may permanently disconnect service to an existing customer only if authorized to in writing by commission and after notice has been issued.

Reconnection of Service

Service will be reconnected within 24 hours, unless otherwise stated on the service agreement, after the past due bill, reconnection fee and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time.

Quality of Service

The utility will provide properly treated and disinfected water and facilities with sufficient pressure and capacity for reasonable consumer uses unless otherwise stated on the service agreement.

Standard Extension Requirements

All practices and policies related to the extension of service to new applicants or restoration of service must be reasonable and nondiscriminatory.

Specific Utility Rules

(May not conflict with commission required rules. Attach additional pages if needed.)

Driftwood Water Conservation, LLC

WATER SERVICE APPLICATION/AGREEMENT

Date: _____

Exempt Utility Name	<u>Driftwood Water Conservation, LLC</u>
Business Address	<u>8940 FM 150</u>
Street . State. Zip	<u>Driftwood, Texas 78619</u>
(AC) Telephone	<u>(512) 256-5676</u>

APPLICATION FOR WATER SERVICE

Name of Applicant/Customer: _____
Service Location: _____
Billing Address: _____
City, State, Zip: _____

Check Applicable Items:

☐ Residential ☐ Owner ☐ Commercial ☐ Tenant

The Exempt Utility agrees to sell and deliver water to the Applicant and the Applicant agrees to purchase and receive water from the Utility in accordance with the rules and regulations required by the Public Utility Commission of Texas which are included in its Exempt Utility Tariff and any other rules or requirements contained in this agreement.

Water will ☒ will not ☐ be disinfected. Water will ☒ will not ☐ be measured by meters which are furnished, installed, owned and maintained by the Utility. The meter and/or connection is for the sole use of the Applicant/Customer to serve water to one dwelling, business or property. The Applicant/Customer shall not share, resell, or submeter water to any other dwelling, business, property, etc., without the specific written authorization of the Utility and in compliance with applicable laws and regulations.

The Utility has the right to locate a water service meter/connection and the pipe necessary to connect the meter to the utility's water main on the property of the Applicant at a point mutually agreeable to both the Utility and the Applicant. The Applicant/Customer will allow the Utility access at all reasonable times to its property and equipment located upon Applicant/Customer's premises for the limited purposes of reading the water meter, repairing or replacing existing facilities and the inspection of the Applicant/Customer's facilities to check for illegal connections or unsafe plumbing practices or cross-connections, in compliance with the requirements of the Texas Commission on Environmental Quality's "Rules and Regulations for Public Water Systems."

The Applicant will install, at his own expense, a service line from the water meter/connection to the Applicant's point of use which includes ☒ /does not include ☐ a cutoff valve on the Applicant's side of the water meter/connection. The Applicant/Customer will be responsible for maintenance and repair of the Applicant/Customer's service line. The Applicant/Customer shall hold the Utility harmless from any and all claims or demands for damage to real or personal property occurring from the point the Applicant/Customer ties on the water meter/connection to the final destination of the line installed by Applicant/Customer.

Driftwood Water Conservation, LLC

The Applicant agrees to grant to the utility an easement/right-of-way for the purpose of installing, maintaining and operating such pipe lines, meters, valves, and any other equipment which may be deemed necessary for the provision of Utility service to that Applicant/Customer. The utility will attempt to restore the Applicant/Customer's property to its original condition after installation or repairs. This easement may be in such form as is required by the utility. The Applicant/Customer agrees not to interfere with the utility's employees in the discharge of their duties. The Applicant/Customer will not permit anyone except the utility's employees to tamper with or interfere with any of the utility's equipment installed on the Applicant/Customer's premises.

Non-standard Service

Will the Applicant's use of water place unique, non-standard service demands upon the system or require any

special facilities? _____ No _____ Yes. If yes, please describe:

[Note: Non-Standard water/sewer service may be provided by Driftwood Water Conservation, LLC, at customer cost.]

OTHER AGREEMENTS OR REQUIREMENTS FOR SERVICE

The service applicant has been provided a copy of the utility's exempt utility tariff and agrees to pay the rates in the tariff and abide by the requirements in this service agreement. This utility is exempted from most of the requirements for water utilities as long as service is provided in accordance with the exempt utility tariff. The commission will not review rate changes by the utility unless it receives written protests from at least 50% of the customers within 90 days after the effective date of a rate change.

Signature of Applicant or Customer

Date

_____ Tap Fee Collected _____ Deposit Collected

Service will be connected at the service location on or about _____ 20_____

Utility Representative

Date

