



Control Number: 47914



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DOCKET NO. 47914

**MSEC ENTERPRISES, INC.'S
TRUE-UP REPORT ON PASS-
THROUGH RATES APPROVED
IN DOCKETS 45485 AND 46258**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

NOTICE OF APPROVAL

Background. In Docket No. 45486,¹ the Commission approved a request by MSEC Enterprises, Inc. for a pass-through rate of \$2.58 for 2016 to recover fees imposed on the utility by the San Jacinto River Authority (SJRA). At that point, MSEC had transitioned to surface water as a partial water source, so the pass-through rate resulted from a blend of groundwater pumpage fees and surface water gallonage charges. The blended rate included some estimates, so MSEC was ordered to true-up the rate in a report due by the end of March 2017, and the order allowed for the true-up to be filed with a new pass-through request.

Five months later in Docket No. 46258,² MSEC filed a request to increase the pass-through rate to \$2.78, as SJRA had increased its fees yet again. However, rather than include a true-up report in the request, MSEC requested that the true-up of the \$2.58 rate be combined with any true-up of the \$2.78 rate. The Commission approved the request in September 2016 and ordered MSEC to true-up the rate in a report due by the end of November 2017.

In Docket No. 47465,³ MSEC requested and was approved to increase the pass-through rate to \$2.93, effective September 1, 2017.

True-Up. This Order addresses MSEC's True-Up Report ordered in Tariff Control No. 46258.

On January 26, 2018, Commission Staff recommended the application be deemed sufficient and approved, consistent with the pleading and memorandum of Patricia Garcia in the

¹ *Application of MSEC Enterprises, Inc. for a Pass-Through Rate Change*, Tariff Control No. 45485, Notice of Approval (Mar. 21, 2016.)

² *Application of MSEC Enterprises, Inc. for Pass-Through Rate Change*, Tariff Control No. 46258, Notice of Approval (Sept. 30, 2016).

³ *Application of MSEC Enterprises, Inc. for Pass-Through Rate Change*, Tariff Control No. 47465, Notice of Approval (Aug. 23, 2017).

Commission's Water Utility Regulation Division. Ms. Garcia recommended that MSEC's authorized pass-through rate be reduced by \$0.18 per 1,000 gallons to address the over-collection from customers during the True-Up Period. Using the Commission approved tariff formula, MSEC proposed to issue the over-collection as a credit back to its customers by lowering the pass-through rate for the next year and decreasing the pass-through rate for the SJRA Surface Water Fee from \$2.93 per 1,000 gallons to \$2.75 per 1,000 gallons. Commission Staff found the calculations appropriate.

Consistent with Staff's recommendation, MSEC's application and notice are deemed sufficient. MSEC's request to decrease the pass-through rate of \$2.93 to \$2.75 per 1,000 gallons is approved. The approved tariff pages are attached.

Signed at Austin, Texas the 20th day of February 2018.

PUBLIC UTILITY COMMISSION OF TEXAS



IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT



**WATER UTILITY TARIFF
Docket Number 47914**

MSEC Enterprises, Inc.
(Utility Name)

P.O. Box 970
(Business Address)

Navasota, Texas 77868-0970
(City, State, Zip Code)

(936) 825-5100
(Area Code/Telephone)

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

12887

This tariff is effective in the following counties:

Grimes and Montgomery

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

None

This tariff is effective in the following subdivisions or systems:

See Attached List

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
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APPENDIX A -- DROUGHT CONTINGENCY PLAN

SUBDIVISION	PWS ID NUMBER
Capitol Hills	1700638
Crown Oaks	1700638
Crown Ranch	1700781
Grand Lakes Estates	1700638
Highland Ranch	1700638
Hills of Montgomery	1700638
Lake Forest Lodge	1700638
Lake Forest Lodge South	1700638
Legacy Creek Estates	1700638
Lakeview	1700638
Oaklawn Estates	1700638
Old Kentucky Farms	1700638
Montgomery Trace	1700638
Ridge Lake Shores	1700638
Stillwater Estates	1700677
Valleywood Acres	1700638
Woodforest	1700638
Woodforest Golf Course	1700638

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"	\$33.00 (Includes 0 gallons all meters)	\$3.25 per 1000 gallons, 1 st 10,000 gallons
1"	\$56.00	\$3.45 per 1000 gallons, next 10,000 gallons
1½"	\$200.00	\$3.70 per 1000 gallons over 20,000 gallons
2"	\$320.00	
3"	\$375.00	

Lone Star Groundwater Conservation District (GCD)..... *\$0.12 per 1000 gallons
(Tariff Control No. 47757)

San Jacinto River Authority (SJRA)..... *\$2.75 per 1000 gallons
 *(The pass through fees are adjusted for line loss and true-up) *(Docket No. 47914)*

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 ASSESSMENT1.0%
 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 \$1,200.00
 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 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 (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 \$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 \$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. [§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 an adjustment to the water gallonage charge according to the following formula:

$$AG = G+B/(1-L)$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent
- G = approved gallonage charge (per 1,000 gallons)
- B = change in purchased water/district gallonage charge (per 1,000 gallons)
- L = system average line loss for the preceding 12 months not to exceed 0.15

