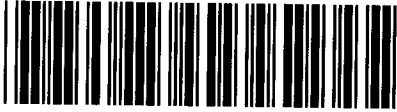




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APPLICATION OF DOUGLAS §  
UTILITY COMPANY TO CHANGE §  
WATER AND SEWER RATE/TARIFF §  
IN HARRIS COUNTY, TEXAS §

BEFORE THE OFFICE OF STATE  
ADMINISTRATIVE HEARINGS  
COMMISSION  
FILING CLERK

**COMMISSION STAFF'S RESPONSE TO SOAH ORDER NO. 16 &  
RECOMMENDATION ON SUPPLEMENTAL REFUND INFORMATION**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Staff's Recommendation on Supplemental Refund Information. In support thereof, Staff shows the following:

**I. BACKGROUND**

On March 12, 2013, Douglas Utility Company (DUC) filed with the Texas Commission of Environmental Quality (TCEQ) a notice of intent to change rates for water and sewer service.

On November 24, 2015, SOAH Order No. 16 was issued, requiring Staff to file a recommendation on the supplemental refund information filed by DUC and propose an additional procedural schedule for this proceeding, if necessary. Therefore, this pleading is timely filed.

**II. STAFF'S RECOMMENDATION ON SUPPLEMENTAL REFUND INFORMATION**

On November 23, 2015, DUC provided supplemental refund information. As detailed in the attached memorandum from Emily Sears, in the Commission's Water Utilities Division, Staff has reviewed the supplemental information and recommends that DUC has complied with the requirements of SOAH Order No. 14.

Staff is unable to make a final recommendation on the total amount to be refunded until the start date of the refund period and the total number of months over which customers will be refunded. The refund period is still a contested issue and the start date of the refund period is uncertain due to litigation and ultimate Commission approval.

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**III. PROCEDURAL SCHEDULE**

In accordance with SOAH Order No. 14, Staff will address, in its final recommendation to be filed December 16, 2015, how the case should be resolved (e.g., does the Commission need to issue a final order).

**IV. CONCLUSION**

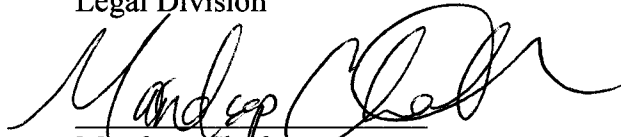
Staff requests entry of an order consistent with the above recommendation.

**Dated: December 8, 2015**

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

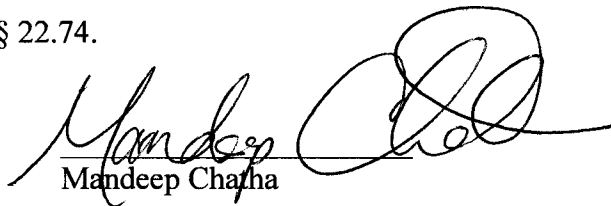
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Legal Division



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Austin, Texas 78711-3326

**SOAH DOCKET NO. 473-14-5140  
DOCKET NO. 42860  
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on this December 8, 2015 in accordance with 16.TAC § 22.74.



Mandeep Chatha

# *Public Utility Commission of Texas*

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## **Memorandum**

**To:** Mandeep Chatha, Attorney  
Legal Division

**Thru:** Tammy Benter, Director  
Debi Loockerman, Rates Team Lead  
Water Utilities Division

**From:** Emily Sears, Financial Analyst  
Water Utilities Division

**Date:** December 7, 2015

**Subject:** **Docket No. 42860;** *Application of Douglas Utility Company (DUC) to Change Water and Sewer Rate/Tariff in Harris County, Texas*

SOAH Order No. 14 ordered DUC to calculate and fully account for all sums charged pursuant to the application, including the difference between charges made under the proposed rates and charges that would have been made under the historic rates. DUC was also ordered to account for the over-billing of the fees for the GRP. Additionally, SOAH Order No. 14 required all balances to accrue compound interest monthly at the Commission-approved interest rate for overbilling.

On November 23, 2015 DUC filed additional information, which included a summary of all over and under collections, including interest to be added to those refunds. Staff has reviewed the information and finds that the information indicates that DUC will make all refunds as required by SOAH Order No. 14 in this case. Based on Staff's review of the information provided by Douglas Utility Company, Staff opines that DUC has complied with the requirements of SOAH Order No. 14 of this docket.

However, the number of months which DUC must pass back the over/under collections has not yet been set. In order to determine the final over-collection with interest total, Staff would need the start date of the pass-back period, along with the total number of months the money should be refunded. Once this information is received, DUC can then calculate the total interest and over-collection amount.