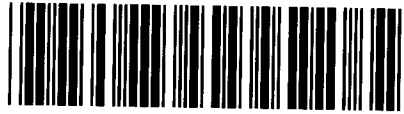




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APPLICATION OF DOUGLAS §
UTILITY COMPANY TO CHANGE §
WATER AND SEWER RATE/TARIFF §
IN HARRIS COUNTY, TEXAS §
§

BEFORE THE STATE OF TEXAS COMMISSION
PUBLIC UTILITY §
FILING CLERK
OF
ADMINISTRATIVE HEARINGS

**DOUGLAS UTILITY COMPANY'S RESPONSE TO
EQUALITY COMMUNITY HOUSING CORPORATION'S
RESPONSE TO STAFF'S RECOMMENDATION**

Douglas Utility Company (DUC or Douglas) files this its Response to Equality Community Housing Corporation's (Equality) Response to Staff's Recommendation.

Douglas agrees with Equality that the staff's review and evaluation of DUC's calculations of refunds and surcharges in this docket are appropriate. They should be adopted as suggested by the Staff once a new refund period is started by final order of the Commission.

Douglas disagrees with Equality that all refunds should be made within a six month period. Equality ignores the fact that refund periods for collections and surcharge periods for under-collections are historically tied together. While Equality is entitled to a refund, the vast majority of the residents and non-Equality customers are subject to a surcharge. DUC believes that a six month surcharge period would work an inequitable financial burden on the non-Equality customers. Allowing the surcharges to be collected over the same number of months the proposed rates were charged would remove this burden. Equality will get its full refund over the same number of months without financially crippling the utility. It should be remembered that Equality is being protected by the statutory requirement that the refunds to which it is entitled be made with interest. That rate of interest is set by the Commission and is applied uniformly to all

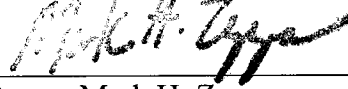
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ordered refunds. It should be remembered that Equality has agreed that the calculations of the refunds to which it is entitled have been made correctly.

DUC respectfully requests that a defined refund and surcharge starting date be ordered and that all refunds and surcharges be made in equal increments over the same number of months the proposed rates were collected.

Respectfully submitted,

DOUGLAS UTILITY COMPANY



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CERTIFICATE OF SERVICE

I certify that on December 15, 2015, a copy of this documents will be served on all parties of record in accordance with P.U.C. Procedural Rule 22.74.



Mark H. Zeppa