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SOAH DOCKET NO. 473-14-5140
DOCKET NO. 42860

RECEIVED

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

BEFORE THE OFFICE OF STATE ADMINISTRATIVE HEARINGS

2015 DEC 16 AM 2:08
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S RESPONSE TO SOAH ORDER NO. 16 & FINAL RECOMMENDATION

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Staff's Final Recommendation. 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 23, 2015, DUC provided supplemental refund information. On December 8, 2015, Staff filed its Response to Order No. 16 & Recommendation on the Supplemental Refund Information. Staff provided a memorandum from Emily Sears, in the Commission's Water Utilities Division, providing that Staff has reviewed the supplemental information and recommends that DUC has complied with the requirements of SOAH Order No. 14.

On November 24, 2015, SOAH Order No. 16 was issued, requiring Staff to file its Final Recommendation by December 16, 2015. Therefore, this pleading is timely filed.

II. FINAL RECOMMENDATION

In Response to SOAH Order No. 14, which requested Staff to provide a recommendation on the resolution of the case, Staff provides the following recommendations. Staff recommends that DUC be order to refund the over-collection, that rates be set at historic rates rather than proposed rates, and that DUC's proposed rate increase be dismissed from SOAH. Staff further recommends this docket be remanded to the Commission to issue a final order.

Additionally, the only issue in dispute is the time period in which DUC should refund over-collections or apply surcharges as appropriate. On December 11, 2015, Equality Community Housing Corporation (Equality) filed its Response to Staff's Recommendation,

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supporting the recommendation and requesting that DUC be ordered to provide refunds within six months. On December 15, 2015, DUC also filed a Response agreeing with Staff's review and evaluation of DUC's refunds and surcharges and requesting that DUC be allowed to make refunds or apply surcharges in equal increments over the same number of months the proposed rates were collected. Staff continues to recommend that refunds be made over a 6-month period beginning with the first month following the final Commission order.¹

III. CONCLUSION

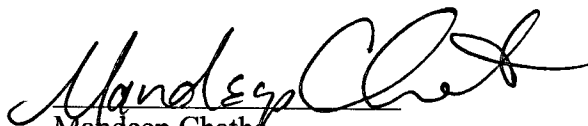
Staff recommends the ALJ issue a Proposal for Decision (PFD) on the settled issues as well as the unsettled issue (time period for refunds) to be submitted to the Commission. If the ALJ finds it helpful, the parties could draft an agreed proposed order on all settled issues. Staff requests entry of an order consistent with the above recommendation.

Dated: December 16, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
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¹ Commission Staff's Response to Douglas Utility Company's Notice of Withdrawal of Application for Rate/Tariff Change (Sept. 10, 2015).

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CERTIFICATE OF SERVICE

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


Mandeep Chatha