

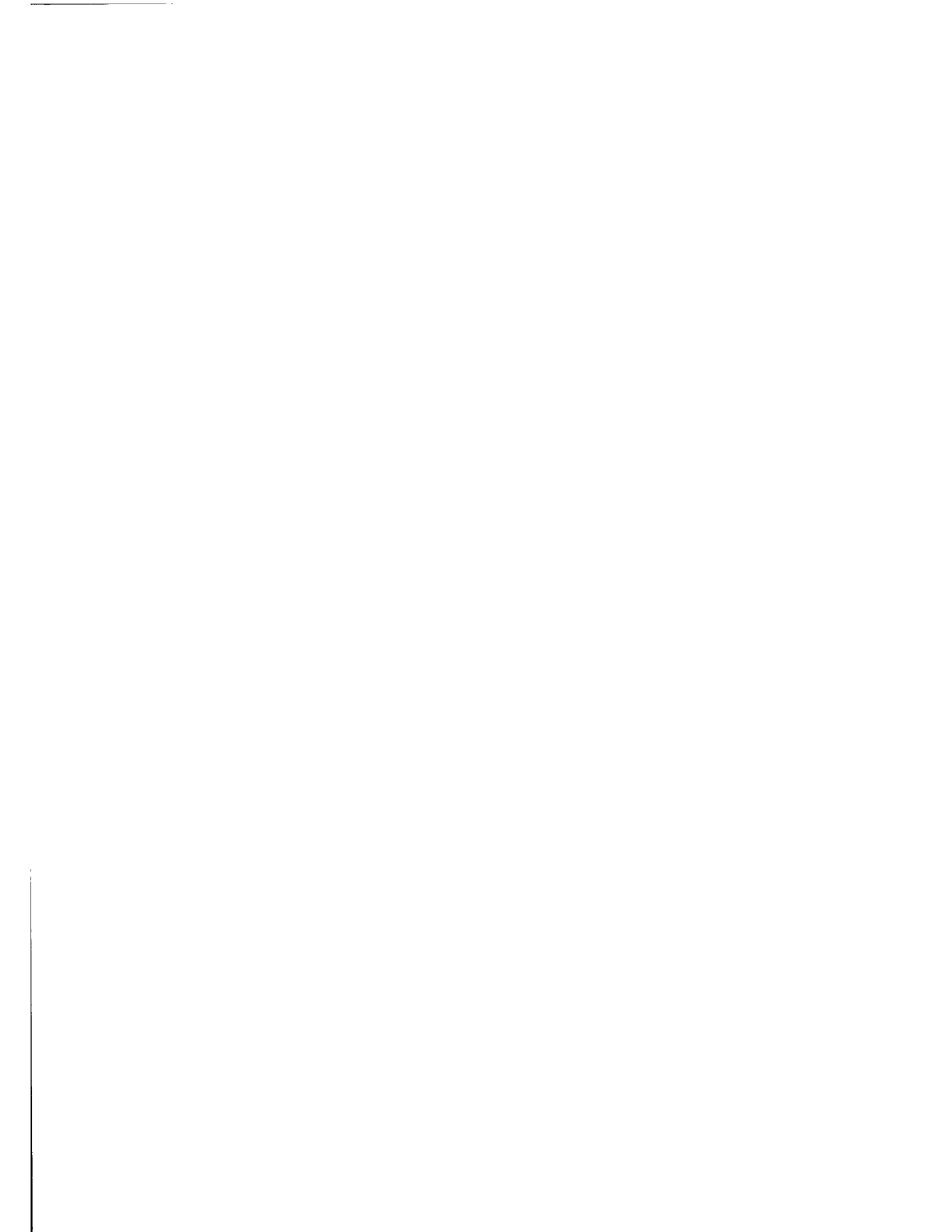


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PUC DOCKET NO. 42860
SOAH DOCKET NO. 473-14-5140.WS

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PUBLIC UTILITY COMMISSION
FILING CLERK

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

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PUBLIC UTILITY COMMISSION
OF TEXAS

**ORDER NO. 1
REQUIRING AN EVIDENTIARY RECORD AND ORDERING REFUNDS**

On May 31, 2016, the Public Utility Commission of Texas (Commission) issued an order remanding the above-styled and numbered proceeding to a Commission administrative law judge (ALJ) for purposes of developing an evidentiary record so that the Commission may consider the proposal for decision that has been issued by a State Office of Administrative Hearings (SOAH) ALJ. The Commission also directs the ALJ to order Douglas Utility Company to begin making refunds, on an interim basis, based on a 24-month period.

I. Evidentiary Record

The remand order cites the absence of admitted testimony, matters that are officially noticed, or any properly-stipulated facts admitted into the evidentiary record. In addition, no SOAH orders were admitted into evidence, no transcripts were filed indicating party motions for admission of evidence were granted, the Commission did not receive any admitted evidence upon return of the case from SOAH, and it is unclear whether Commission Staff's revised calculation of the refund and surcharge amounts satisfies the requirements to be admissible as a written stipulation of facts.

Consistent with the Commission's directive, on or before **July 29, 2016**, the parties shall identify the evidence to be admitted into the record of this proceeding that will allow the Commission to issue a final order.

II. Refunds

The Commission noted the case was initiated more than three years ago and because no party is advocating a one-time lump sum refund, customers will continue to have to wait for refunds they are due. In the interest of avoiding additional delay of refunds and in order to incent

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the timely entry of evidence, the Commission directed that a Commission ALJ order Douglas Utility Company to begin making refunds, on an interim basis, based on a 24-month refund period.

Accordingly, beginning with the first August 2016 billing cycle, Douglas shall begin making refunds, on an interim basis.¹ The refunds shall be reconciled with the refund amount and refund period ultimately adopted by the Commission in a final order. In the final order, the Commission will also determine the appropriate start-date, amounts, and period for surcharges.

SIGNED AT AUSTIN, TEXAS the 14th day of July 2016.

PUBLIC UTILITY COMMISSION OF TEXAS



IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT

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¹ The application indicates that meters are typically read monthly around the 12th of the month and that bills are typically sent out the 22nd day of the month. Based on this information, Douglas should be able to initiate refunds in August 2016.