



Control Number: 42860



Item Number: 131

Addendum StartPage: 0

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

PUBLIC UTILITY COMMISSION  
OF  
TEXAS

**COMMISSION STAFF'S AFFIDAVIT IN SUPPORT OF REFUND CALCULATION  
METHODOLOGY**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Affidavit in Support of Refund Calculation Methodology. In support thereof, Staff would show 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 September 2, 2015, DUC filed a letter to withdraw its application. On May 31, 2016, the Public Utility Commission (Commission) issued an order remanding the proceeding to a Commission Administrative Law Judge (ALJ) for the 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.

**II. Staff's Recommendation**

Based on the attached affidavit of Emily Sears, Financial Analyst for the Water Division of the Commission, Staff supports the methodology used in Staff's Amended Exhibit A for calculating the refunds.

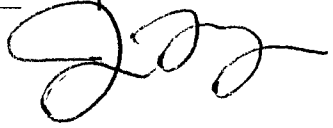
**Date:** August 12, 2016

Respectfully submitted,

**PUBLIC UTILITY COMMISSION STAFF**

Margaret Uhlig Pemberton  
Division Director  
Stephen Mack  
Managing Attorney

Mandeep Chatha w/permission  
Mandeep Chatha  
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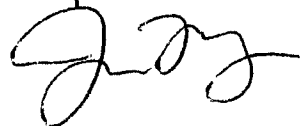


**PUC DOCKET NO. 42860**  
**SOAH DOCKET NO. 473-15-5140.WS**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing document will be served on all parties of record on August 12, 2016, in accordance with 16 Tex. Admin. Code § 22.74.

Mandeep Chatha w/permission  
MANDEEP CHATHA



**PUC DOCKET NO. 42860**  
**SOAH DOCKET NO. 473-14-5410.WS**

<b>APPLICATION OF DOUGLAS</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION OF</b>
<b>UTILITY COMPANY TO CHANGE</b>	<b>§</b>	
<b>WATER AND SEWER RATE/TARIFF</b>	<b>§</b>	<b>TEXAS</b>
<b>IN HARRIS COUNTY, TEXAS</b>	<b>§</b>	

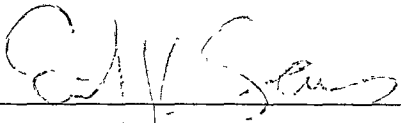
**AFFIDAVIT OF EMILY SEARS**  
**REGARDING REFUNDS**

**BEFORE ME, the undersigned authority, personally appeared Emily Sears, who after being by me duly sworn deposed and said:**

1. My name is Emily Sears, CRRA. I am a Financial Analyst for the Water Division of the Public Utility Commission of Texas (PUCT). My business address is 1701 N. Congress Ave., Austin, Texas 78701.
2. I am at least 21 years of age, fully competent and authorized to make the statements herein. Additionally, I have personal knowledge of the facts stated herein, and they are true and correct to the best of my knowledge.
3. On March 3, 2016, Douglas Utility Company (Douglas or the Company) filed Exhibit A, which contained the calculation of refunds referenced in Staff's Proposed Order.
4. In its filing, Douglas requested the following amounts:
  - a. Haverstock Apartments, refund of \$398,000.34;
  - b. Customers with 2" meters, collection of \$19,529.42;
  - c. Customers with 1" meters, collection of \$836.30; and
  - d. Customers with 5/8" meters, collection of \$72,474.73.
5. In its filing, Douglas used the following interest formula:  
$$\text{Amount to be refunded} * (1 + (\text{interest rate}))^{(12 * (\text{number of months left in year} / 12))}$$
6. I have reviewed Douglas' Exhibit A.
7. I have reviewed the calculation of the refunds/collections for accuracy and have determined there was one calculation error.
8. The correct interest formula should be:  
$$\text{Amount to be refunded} * (1 + (\text{interest rate} / 12))^{(12 * (\text{number of months left in year} / 12))}$$

9. I have corrected the calculation error and filed Staff Amended Exhibit A, filed March 11, 2016 and have determined that the refunds/collections should be in the following amounts:
- a. Haverstock Apartments, refund of \$389,689.28;
  - b. Customers with 2" meters, collection of \$18,044.52;
  - c. Customers with 1" meters, collection of \$836.30; and
  - d. Customers with 5/8" meters, collection of \$72,474.73.
10. I believe the amounts contained in Staff Amended Exhibit A submitted on March 11, 2016, are the true and correct amount of the monies to be refunded.
11. Staff's Amended Exhibit A, including CD was filed on March 11, 2016 (AIS Item No. 114) and relied upon by the State Office of Administrative Hearings Administrative Law Judge in the Proposal for Decision (AIS Item No. 115).

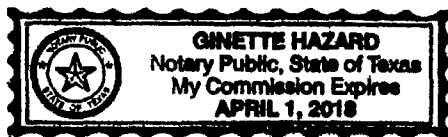
Further the deponent sayeth not.



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**STATE OF TEXAS**  
**COUNTY OF TRAVIS**

This Affidavit of Emily Sears was sworn to and subscribed before me on this the 12 day of August, 2016.



Notary without Bond



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Notary Public, State of Texas