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SOAH DOCKET NO. 582-14-1052  
TCEQ DOCKET NO. 2013-1735-UCR

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PUBLIC UTILITY COMMISSION  
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APPLICATION OF DOUGLAS UTILITY  
COMPANY, TO  
CHANGE ITS WATER AND SEWER  
RATES

BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

DOUGLAS UTILITY COMPANY'S RESPONSE TO THE EXECUTIVE DIRECTOR'S  
MOTION TO DISMISS AND REMAND

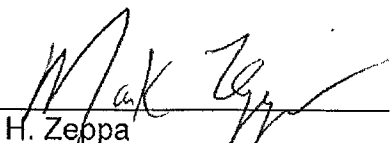
TO THE HONORABLE PENNY WILKOV, ADMINISTRATIVE LAW JUDGE:

Douglas Utility Company (Douglas) files this response to the Executive Director's (ED) motion to dismiss and remand the above-referenced rate case. Douglas opposes the motion for the following reason:

Douglas participated in the mediation conducted by ALJ Hunter Burkhalter and agreed to rates that, from the resources Douglas had available to it in Austin, led Douglas' President Carol Zieben to believe would maintain Douglas' financial integrity until Douglas could file another rate case. Upon returning to Houston, Mrs. Zieben had the settlement rates run through her computer billing program. She determined that the settlement rates would put Douglas into a negative cash flow situation.

Douglas cannot provide continuous and adequate water or sewer service if it cannot pay its bills. Accordingly, Douglas must regrettably withdraw from the mediated settlement and request that this case remain on (or be restored to) the SOAH General Docket.

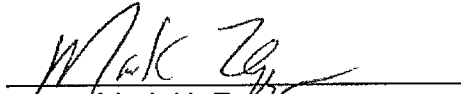
Respectfully submitted,

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ATTORNEY FOR DOUGLAS UTILITY CO.

CERTIFICATE OF SERVICE

I, Mark H. Zeppa, hereby certify that copies of the foregoing were provided to the parties of record as shown on the Service List below on July 31, 2014 by efilng and email.

  
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