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PUBLIC UTILITY COMMISSION

APPLICATION OF DOUGLAS § BEFORE THE STATE OFFICE
UTILITY COMPANY TO CHANGE §
WATER AND SEWER RATE/TARIFF § OF
IN HARRIS COUNTY, TEXAS §
§ ADMINISTRATIVE HEARINGS

**SOAH ORDER NO. 14
SETTING PROCEDURAL SCHEDULE FOR DETERMINING
REFUNDS AND SURCHARGES**

On September 1, 2015, the Administrative Law Judge (ALJ) convened a telephone prehearing conference with the parties. At the conference, Douglas Utility Company (DUC) stated that it would be moving to withdraw its application. On September 2, 2015, DUC filed its motion. The motion states that DUC intends to begin charging the rates that were in effect before its application (historic rates), which are lower than the proposed rates it has been charging during the pendency of the application. Therefore, many of DUC's customers will be owed a refund of the difference between what they actually paid and what they would have paid under the historic rates. DUC requested that it be given 24 months to make the necessary refunds to its customers. DUC also noted that some customers may have paid less under the proposed rates than they would have under the historic rates, and those customers will be required to pay the incremental difference as a surcharge. Additionally, DUC noted that it was inadvertently over-billing the fees charged by the City of Houston under its Groundwater Reduction Plan (GRP), and the over-billed fees will be included DUC's per-account reconciliations.

Equality Community Housing Corporation (Equality) and Staff of the Public Utility Commission (Staff) filed responses, each containing the same proposed procedural schedule for addressing refunds due to DUC's customers. Additionally Equality and Staff request that DUC be required to refund its customers within six months. Staff represented that DUC was in agreement with the proposed procedural schedule.

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Therefore, the following procedural schedule is adopted:

Event	Date
Deadline for DUC to file a per account reconciliation of all over- and under-billings	September 30, 2015
Deadline for Staff recommendation on the refund information filed by DUC and for Staff to propose an additional procedural schedule for this proceeding, if necessary	October 14, 2015
Deadline for DUC and other parties to file a response to Staff's recommendation	October 21, 2015
Deadline for Staff to file its final recommendation	November 6, 2015

It is further ordered that DUC shall calculate and fully account for all sums charged pursuant to the application, including the difference between charges made under the proposed rates and charges that would have been made under the historic rates. DUC shall also account for the over-billing of the fees for the GRP. All balances shall accrue compound interest monthly at the Commission-approved interest rate for overbilling.

Staff shall also address, in its final recommendation, how the case should be resolved if the parties reach agreement on all issues (e.g., does the Commission need to issue a final order?) or if issues remain in dispute.

SIGNED September 22, 2015.


STEPHANIE FRAZER
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS