

Control Number: 42864



Item Number: 46

Addendum StartPage: 0

SOAH DOCKET NO. 473-14-5146.WS PUC DOCKET NO. 42864 RECEIVED
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| WATER RATE/TARIFF CHANGE | § | BEFORE THE STATE OFFICE |
| APPLICATION OF ENCHANTED | § | SEEKK MOSICH |
| HARBOR UTILITY, CERTIFICATE | § | OF |
| OF CONVENIENCE AND NECESSITY | § | |
| NO. 12683, IN CALHOUN COUNTY, | 8 | , |
| TEXAS | 8 | ADMINISTRATIVE HEARINGS |
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STATUS REPORT

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Status Report.

On July 29, 2014, a preliminary hearing was held for this matter. Administrative Law Judge (ALJ) Rebecca Smith took jurisdiction and admitted the following as parties to this proceeding: (1) Enchanted Harbor Utility; (2) the Executive Director (ED) of the Texas Commission on Environmental Quality (Commission or TCEQ); and ratepayers Keith L. Smith, Anne Clark, and Evelyn Saucier. On the same day, the parties commenced mediation that lasted throughout the month of August. In the final days of TCEQ's jurisdiction over water utility matters, the parties reached and signed a settlement agreement. On August 27, 2014, Enchanted Harbor Utility (Enchanted Harbor or Utility) filed an uncontested Motion to Remand with SOAH with the settlement agreement attached. Staff files this Status Report to request additional time for review.

Pursuant to House Bill 1600 and Senate Bill 567, 83rd Legislature, this matter was transferred to the Public Utility Commission as of September 1, 2014. Because of the procedural complexities involved with the transfer, Staff requests that Your Honor abstain from ruling on the Motion to Remand in order to provide Staff adequate time to review the case and proposed settlement.

Since the last status update, Staff has been working with the Applicant to understand the specifics of how the utility financed the capital improvements it has now completed. On June 15, 2017, Staff requested that Applicant verify a revised calculation which is material to the proposed settlement. The Applicant reported on June 16, 2017 that it disagreed with Staff's

calculation. Both Staff and the Applicant are reviewing documentation to determine how to best and most expediently resolve the difference in the parties' numbers.

Staff remains mindful of the ALJs concerns regarding the protracted nature of this case. Staff shares this concern and is working to close this matter soon.

For the reasons stated above and the fact that Staff has limited resources due to the hiring freeze in place, Staff respectfully requests the ALJ find that there is good cause to extend the abatement in this matter until July 17, 2017, at which point the parties will submit a settlement package or status update.

Respectfully Submitted,

Margret Uhlig Pemberton Division Director Legal Division

Stephen Mack

Managing Attorney
Legal Division

Douglas M. Brown Attorney-Legal Division

State Bar No. 24048366

(512) 936-7203

(512) 936-7268 (facsimile)

Public Utility Commission of Texas

1701 N. Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

Douglas.brown@puc.texas.gov

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 19, 2017 in accordance with 16 Tex. Admin. Code § 22.74.

Douglas M./Brown, Attorney