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PUBLIC UTILITY COMMISSION
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OPEN MEETING COVER SHEET

COMMISSIONER MEMORANDUM

MEETING DATE: January 17, 2019

DATE DELIVERED: January 16, 2019

AGENDA ITEM NO.: 1

CAPTION: Docket No. 42864; SOAH Docket No. 473-14-5146.WS –
Application of Farmers Transport, Inc. dba
Enchanted Harbor Utility for Authority to
Change Rates

ACTION REQUESTED: Discussion and possible action with respect
to Final Order

Distribution List:
Commissioners' Offices (6)
Journey, Stephen
Urban, John Paul
Margaret Pemberton (5)
OPD Support Team
Turner, Hannah
Central Records (Open Meeting Notebook)

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DeAnn T. Walker
Chairman

Arthur C. D'Andrea
Commissioner

Shelly Botkin
Commissioner

John Paul Urban
Executive Director



Greg Abbott
Governor

Public Utility Commission of Texas

TO: Chairman DeAnn T. Walker
Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

All Parties of Record (*via electronic transmission*)

FROM: Hannah Turner *HT*
Commission Advising

RE: *Application of Farmers Transport, Inc. dba Enchanted Harbor Utility for Authority to Change Rates*, Docket No. 42864, January 17, 2019 Open Meeting. Item No. 1

DATE: January 16, 2019

Please find enclosed a memorandum by Chairman Walker regarding the above-referenced docket. No other commissioner will file a memorandum in this docket.

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Public Utility Commission of Texas

Memorandum

TO: Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

FROM: Chairman DeAnn T. Walker 

DATE: January 16, 2019

RE: Open Meeting of January 17, 2019 – Agenda Item No. 1
Docket No. 42864; SOAH Docket No. 473-14-5146.WS – *Application of Farmers Transport, Inc. dba Enchanted Harbor Utility for Authority to Change Rates*

I recommend that the Commission make the changes described below to the order adopted by the Commission.

Findings of fact 24 and 43 should be corrected for accuracy.

24. On July 9, 2014, Farmers Transport filed with the TCEQ the affidavit of Jesse Wood, Manager of Enchanted Harbor Utilities, attesting that notice of the July 28, 2014 preliminary hearing was mailed on June 27, 2014 to each of the utility's customers and affected municipalities, if any. The affidavit was entered in the Commission's records on September 4 14, 2014.
43. In SOAH Order No. 18 issued on June 11, 2018, the SOAH ALJ admitted evidence, dismissed the case from the SOAH docket, and remanded the case to the Commission. The SOAH ALJ admitted the following evidence into the record: (a) Farmers Transport's application for a water rate and tariff change, filed on September 18, 2013; (b) Farmers Transport's affidavit of notice of the application, filed on September 11, 2014; (c) Farmers Transport's affidavit of notice of the prehearing conference, filed on September 4, 2014; (d) the second settlement agreement and attachments, filed on February 28, 2018; (e) the testimony and attachments of Farmers Transport witness Marvin B. Morgan, filed on March 27, 2018; (f) the direct testimony of Commission Staff witness Heidi Graham, filed on February 28, 2018; (g) the tariff for Farmers Transport, Inc. dba Enchanted Harbor Utility ~~Farmers Transport~~, filed on February 28, 2018; and (h) the affidavit of Jesse Wood, filed on February 28, 2018.

Finding of fact 64 should be modified to specify the capital-improvement projects that were completed by December 31, 2016.

64. Farmers Transport completed the capital-improvement projects listed in the second agreement by December 31, 2016.

The agreement requires that the amounts collected through the capital-improvement surcharge be escrowed and the withdrawals from the escrow account be supervised by the Commission. Because the capital improvement projects to be paid for by the surcharge have all been completed and the surcharge funds will be used only to pay the outstanding balance of the loan and remaining amounts due for material and labor for the capital improvements, there is no need to place amounts collected through the surcharge in an escrow account. Accordingly, a new finding of fact should be added.

- FOF. Because all capital improvement projects identified as necessary in the second agreement have already been completed and the amounts collected through the capital-improvement surcharge will be used only to pay off existing debt associated with those capital improvements, it is not necessary for Farmers Transport to escrow the surcharge revenue.

Ordering paragraph 1 should be corrected for accuracy.

1. The Commission approves Farmers Transport's rates and tariff included as attachment A to the second settlement agreement filed on February ~~28~~ 23, 2018, to the extent provided in this Order.

I also propose delegating to Commission Advising staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.