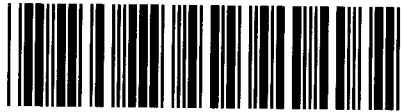


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Addendum StartPage: 0

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PETITION OF TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT
NO. 12 APPEALING CHANGE OF
WHOLESALE WATER RATES
IMPLEMENTED BY WEST TRAVIS
COUNTY PUBLIC UTILITY
AGENCY; CITY OF BEE CAVE,
TEXAS; HAYS COUNTY, TEXAS;
AND WEST TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT
NO. 5

PUBLIC UTILITY COMMISSION
FILING CLERK

OF TEXAS

COMMISSION STAFF'S EXCEPTIONS TO THE PROPOSAL FOR DECISION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files these Exceptions to the Proposal for Decision. In support thereof, Staff would show the following:

I. INTRODUCTION

On September 30, 2015, the State Office of Administrative Hearings (SOAH) Administrative Law Judge (ALJ), William G. Newchurch, issued a Proposal for Decision (PFD) in the above-referenced docket. On October 1, 2015, Commission Advising and Docket Management (CADM) filed a letter notifying parties that exceptions to the PFD are due October 15, 2015. Therefore, this pleading is timely filed.

II. STAFF'S EXCEPTIONS TO THE PFD

Staff commends the ALJ's thorough consideration of the issues presented by all parties in the proceeding. Staff ultimately supports the PFD filed by the ALJ and its recommendation that Travis County Municipal Utility District No. 12's (TCMUD12) petition appealing wholesale rates (Protested Rates) implemented by West Travis County Public Utility Agency (WTCPUA) and affiliated parties be dismissed with prejudice to refile. However, Staff recommends the following changes to the PFD and Proposed Order.

When explaining his determination that WTCPUA did not change its rate computation methodology, the ALJ cites to 16 Tex. Admin. Code (TAC) §§ 24.32(b) and 24.34(c), stating that

“[t]he Commission's rules refer to several possible rate structures, including declining-block and inclining-block, and phased or multi-step volumetric rates.”¹ However, neither 16 TAC §§ 24.32(b) nor 24.34(c) expressly refer to a declining-block rate structure. Therefore, Staff disagrees with this assertion and recommends that Finding of Fact 68 be modified as follows:

68. The Commission's rules refer to several possible rate structures, including ~~declining-block and inclining-block~~, and phased or multi-step volumetric rates. 16 Tex. Admin. Code §§ 24.32(b), 24.34(c).

Additionally, the ALJ found that WTCPUA did not change the methodology used to calculate either its Protested Rates or its revenue requirement when adopting the contested rates.² While the Proposed Order includes a conclusion of law concluding that WTCPUA did not change the methodology used to compute the Prior Rates and the Protested Rates,³ it does not include a conclusion of law concluding that WTCPUA did not change the methodology used to compute WTCPUA's revenue requirement for purposes of setting the Protested Rates. Therefore, Staff recommends the inclusion of the following conclusion of law:

WTCPUA used the same methodology to compute its revenue requirement for the Prior Rates and the Protested Rates.

Staff further recommends that the remaining conclusions of law be renumbered accordingly.

III. CONCLUSION

Staff respectfully requests that the Commission adopt the PFD subject to the modifications described in this pleading.

DATE: October 15, 2015

¹ Proposal for Decision at 44 (Sept. 30, 2015).

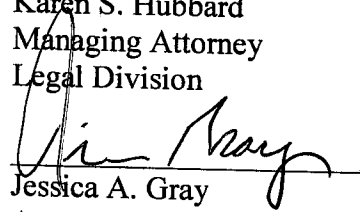
² *Id.* at 37.

³ Proposed Conclusions of Law No. 8.

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

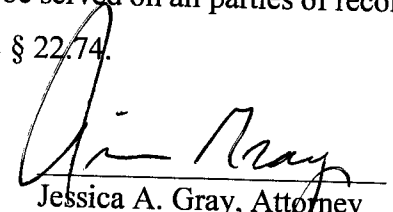
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 15th day of October, 2015 in accordance with 16 TAC § 22.74.


Jessica A. Gray, Attorney