



Control Number: 43078



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DOCKET NO. 43078

**APPLICATION OF FREMONT WATER §
COMPANY FOR A WATER §
RATE/TARIFF CHANGE IN KERR §
COUNTY (37993-R) §**

**2015 MAY - 1 PM 1:00
PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
OF TEXAS
FILING CLERK**

COMMISSION STAFF'S RESPONSE TO ORDER NO. 5

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 5.

I. BACKGROUND

On July 25, 2014, Fremont Water Company (Fremont or Applicant) filed an application with the Texas Commission on Environmental Quality (TCEQ) for a rate/tariff change in Kerr County, Texas, with a proposed effective date of September 26, 2014. On August 19, 2014, the TCEQ sent the Applicant a notice of deficiency, directing Applicant to complete and revise portions of its customer notice. Because the Applicant had to re-notice its customers, the effective date of the rate/tariff change was changed to October 31, 2014, at least 60 days following the date the completed application was mailed or delivered to customers, in accordance with TEX. ADMIN. CODE (TAC) § 291.22(a).

On September 1, 2014, the Public Utility Commission (Commission) began the economic regulation of water and sewer utilities and this case was transferred to the Commission. On September 10, 2014, the Applicant submitted documentation in response to the notice of deficiency sent by TCEQ. On October 28, 2014, Commission Staff recommended the amended application and proposed notice be found administratively complete. On November 20, 2014, the Administrative Law Judge (ALJ) issued Order No. 5 and deemed the amended application and notice for a rate/tariff change administratively complete. Order No. 5 set January 31, 2015 as the proposed effective date of the proposed rate change and May 1, 2015 as the deadline for ratepayers, any affected municipality, and Commission Staff to protest the proposed rates and request a hearing. Therefore, this response is timely filed.

II. COMMENTS ON INFORMAL DISPOSITION

Pursuant to TEX. WATER CODE ANN. § 13.187 the Commission must set the matter for hearing if it receives a complaint from any affected municipality or from the lesser of 1,000 or 10 percent of the ratepayers of the utility whose rates have been changed. At this time, the

Commission has received protests from over 10% of the ratepayers of the utility over whose rates the commission has original jurisdiction. Fremont represented that it has 56 customers in their application,¹ and therefore the 10% threshold would be met by petitions from 6 customers. The Commission has received 11 protests to date, therefore, pursuant to TEX. WATER CODE ANN. § 13.187, this proceeding does not qualify for informal disposition, and therefore, must be set for hearing. In addition, Staff finds it is in the public interest to request a hearing on its own motion in this matter pursuant to 16 TAC § 24.28(1).

Staff has contacted a representative for Fremont to discuss the most economical method of notice and was advised that Fremont's preference is to provide notice to ratepayers via a separate mailing to each ratepayer. Fremont indicated they will provide this separate direct mailing of notice as soon as possible. Accordingly, Staff recommends this separate direct mailing be concluded no later than May 25, 2015.

In addition, Staff requests the State Office of Administrative Hearings (SOAH) schedule a prehearing conference on June 15, 2015 at 10:00 a.m. to give Fremont's ratepayers adequate time to receive notice and prepare and participate in a prehearing conference, should they wish to participate.

III. CONCLUSION


Staff respectfully requests that the ALJ refer this case to SOAH for further review. In addition, Staff requests that a prehearing conference be scheduled for June 15, 2015 at 10:00 a.m. Fremont should also be ordered to issue notice of the prehearing conference to its ratepayers through a separate mailing in the format of the attached sample notice, no later than May 25, 2015 and that proof of notice be filed by June 3, 2015.

¹ Application at 15.

Respectfully Submitted,

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DATED: May 1, 2015

**DOCKET NO. 43078
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on this the 1st of May, 2015, in accordance with P.U.C. Procedural Rule 22.74.



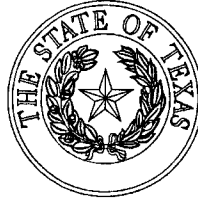
Maria Faconti

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Chairman

Kenneth W. Anderson, Jr.
Commissioner

Brandy D. Marty
Commissioner

Brian H. Lloyd
Executive Director



Rick Perry
Governor

Public Utility Commission of Texas

NOTICE OF PREHEARING CONFERENCE
Fremont Water Company
SOAH Docket No. [SOAH ###-##-#### to be Determined]
P.U.C. Docket No. 43078

Application

Fremont Water Company, P.O. Box 291937, Kerrville, Texas 78029, has applied to the Public Utility Commission of Texas (PUC) to change its water rate/tariff effective January 31, 2015 for its service area located in Kerr County, Texas (Certificate of Convenience and Necessity No. 12821).

Prehearing Conference

The State Office of Administrative Hearings (SOAH) will conduct a prehearing conference on this application on:

June 15, 2015 at 10:00am
William P. Clements Building
300 W. 15th Street, Suite # __ [to be determined]
Austin, Texas 78701-1649

The purpose of a prehearing conference is to name the parties, establish a procedural schedule for the remainder of the proceeding, allow an opportunity for settlement discussions, and to address other matters as determined by the judge. The evidentiary phase of the proceeding will be similar to a civil trial in state district court. The prehearing conference will be conducted in accordance with Chapter 2001 of the Texas Government Code; Chapter 13 of the Texas Water Code; the PUC's Substantive Rules, including Title 16 of the Texas Administrative Code (TAC) Chapter 24; and the PUC's Procedural Rules, including 16 TAC Chapter 22. More information regarding the PUC's rules and procedures can be found at <http://www.puc.texas.gov>.

Persons with disabilities who plan to attend this prehearing conference and who need special accommodations at the prehearing conference should call the SOAH Docketing Department at 512-475-3445, at least one week prior to the prehearing conference. For more information on SOAH, you may visit <http://www.soah.state.tx.us> or email: questions@soah.state.tx.us.

Intervention Information

Persons who wish to become intervenor parties to this proceeding, who have not already done so, may do so by either:

- Attending the prehearing conference and showing that he or she would be affected by the application in a way not common to members of the general public; or



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- Filing a request to intervene with the PUC. Persons affected by the rate increase who wish to intervene but not attend the scheduled prehearing conference must submit 10 copies of a request to intervene by mail to the Public Utility Commission of Texas, Central Records, P.O. Box 13326, Austin, Texas 78711-3326. A request to intervene must include the name, address, and phone number of the intervenor, written legibly or typed. Protests that were previously submitted are insufficient to establish intervenor party status in this proceeding.