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SOAH DOCKET NO. 473-15-3742.WS  
P.U.C. DOCKET NO. 43078

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FILING CLERK

APPLICATION OF FREMONT WATER § BEFORE THE STATE OFFICE OF  
COMPANY FOR A WATER §  
RATE/TARIFF CHANGE IN KERR § ADMINISTRATIVE HEARINGS  
COUNTY (37993-R) §

**RESPONSE TO SOAH ORDER NO. 2 – MEDIATION UPDATE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to SOAH Order No. 2 – Mediation Update and would show the following:

**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, pursuant to Title 16, TEX. ADMIN. CODE (16 TAC) §§ 24.21 and 24.22. 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.<sup>1</sup>

On May 1, 2015, Commission Staff requested the ALJ refer the case to the State Office of Administrative Hearings (SOAH) because, as of May 1, 2015, the Commission had received protests from over 10% of the ratepayers of the utility over whose rates the commission has original jurisdiction. In addition, Staff found that it was in the public interest to request a hearing on its own motion pursuant to 16 TAC § 24.28(1). Subsequently, on June 22, 2015, SOAH Order No. 1 was issued, adopting a procedural schedule and setting July 10, 2015 as the date for parties to request early SOAH mediation. SOAH Order No. 2 was issued on July 17, 2015,

<sup>1</sup> Texas Water Code §§ 13.041, 13.042, 13.181-.192 (West 2008 & Supp. 2014).

requiring Staff to provide a status report to the ALJ on mediation results, no later than August 25, 2015, therefore this status report is timely filed.

## II. STATUS UPDATE

On August 20, 2015 PUC Staff, Fremont Water, Donald and Mary Catherine Allen, and Christine Chartier and Ernest Rodriguez (collectively, Parties) met at the offices of the Public Utility Commission to discuss possible settlement of all or some of the issues in this case. Though no settlement was reached, Parties continue to keep the lines of communication open regarding settlement. On September 3, 2015, Parties will continue discussing possible settlement.

**Dated: August 21, 2015**

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director-Legal Division

Shelah J. Cisneros  
Managing Attorney-Legal Division



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Maria Faconti  
Attorney-Legal Division  
State Bar No. 24078487  
(512) 936-7235  
(512) 936-7268 (facsimile)  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

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### CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on 21<sup>st</sup> of August, 2015 in accordance with 16 TAC § 22.74.



Maria Faconti