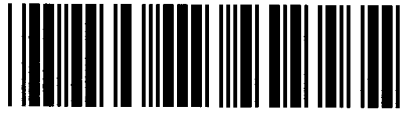


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DOCKET NO. 43342

**APPLICATION OF SUBURBAN
UTILITY COMPANY, INC. TO
IMPLEMENT A PASS - THROUGH
RATE CHANGE FOR WATER
CERTIFICATE OF CONVENIENCE
AND NECESSITY NO. 10835** §
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**PUBLIC UTILITY COMMISSION

OF

TEXAS**

**STAFF'S RESPONSE TO NOTICE SETTING DEADLINE FOR STAFF'S
RECOMMENDATION AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Response to Notice Setting Deadline for Staff's Recommendation and Proposed Procedural Schedule.

I. BACKGROUND

On June 25, 2014, Suburban Utility Company, Inc. (Applicant) filed an application with the Texas Commission on Environmental Quality (TCEQ) to implement a pass through provision in Certificate of Convenience and Necessity (CCN) No. 10835 for the Castlewood Subdivision in Spring, Texas pursuant to Title 30, TEX. ADMIN. CODE (30 TAC) § 291.21.¹

Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities and this case formerly pending at the TCEQ was transferred to the Commission. On September 29, 2014, the Administrative Law Judge (ALJ) issued a Notice Setting Deadline for Staff's Recommendation directing Staff to file a recommendation on the application or to propose a procedural schedule, if needed, by October 20, 2014. On October 20, 2014, Staff filed its Response to the Notice Setting Deadline for Staff's Recommendation. In this Response, Staff identified multiple deficiencies in the application and recommended that application be rejected until the deficiencies were cured. Staff further requested that the Applicant be given thirty days to correct the deficiencies.

¹ This citation refers to the rule in place at the time the application was filed. On September 1, 2014, jurisdiction over the water utilities and rates program transferred from the Texas Commission on Environmental Quality (TCEQ) to the Commission. Applicant's application was filed with TCEQ and the notice to customers was sent prior to the transfer; accordingly, the application filing and notice procedure were governed by the rules in effect at the time the application was filed and notice was sent. The current versions of the statute and rule are located at Title 16, TEX. ADMIN. CODE (16 TAC) § 24.21.

On October 22, 2014, the ALJ issued a Notice Finding the Application Deficient requiring the Applicant to file additional information by November 21, 2014 and Staff to file comments on the application, if it is not materially complete, or a proposed procedural schedule if the application is found to be administratively complete by December 5, 2014. Therefore, this Response is timely filed.

II. STAFF'S RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

Staff identified two deficiencies in the Applicant's initial application. Specifically, the Applicant failed to submit documentation to support their reported 15% line loss and failed to submit proof supporting the Groundwater Reduction Plan Program (GRP) fee increase requested in the application. In order to cure these deficiencies, Staff recommended that the Applicant submit information regarding the gallons pumped and the gallons billed for the Castlewood Subdivision for the preceding 12 months of their proposed rate increase and submit sufficient documentation to support its requested GRP fee increase. The Applicant filed supplemental information on November 24, 2014 in response to the deficiencies identified by Staff.

Pursuant to 16 TAC § 24.8(a), the application is not considered filed until the Commission determines that the application or notice are both administratively complete. Staff has reviewed the supplemental information and recommends that the Applicant has cured all deficiencies in the application. Therefore, Staff recommends that the application be found administratively complete pursuant to Title 16, TEX. ADMIN. CODE (16 TAC) § 24.21(h).

Upon determination that the application is administratively complete, Staff will review the merits of the application. Once Staff has completed its review on the merits, Staff will either request a hearing or issue its recommendation on final disposition of the application.

III. PROPOSED PROCEDURAL SCHEDULE

Staff recommends that the application should be deemed administratively complete. Staff proposes the following procedural schedule:

<u>EVENT</u>	<u>DATE</u>
Deadline for Staff to Request a Hearing or to File a Recommendation on Final Disposition.	January 16, 2015
Deadline for Applicant to File a Response to Staff's Recommendation, if Any, or to Request a Hearing.	January 23, 2015
If No Hearing Requested, Deadline for Proposed Order with Findings of Fact, Conclusions of Law, and Ordering Paragraphs.	January 30, 2015

IV. CONCLUSION

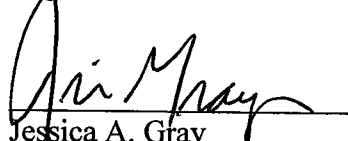
Staff recommends that the Applicant has cured the deficiencies and that the application should be deemed administratively complete. Staff respectfully requests that the ALJ issue an order consistent with this Response.

DATE: December 4, 2014

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Shelah J. Cisneros
Managing Attorney
Legal Division

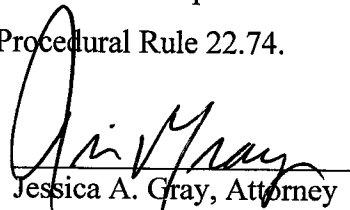


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 4th day of December, 2014 in accordance with P.U.C. Procedural Rule 22.74.



Jessica A. Gray, Attorney