



Control Number: 43674



Item Number: 54

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PETITION OF THE CITY OF	§	STATE OFFICE
DALLAS FOR REVIEW OF A	§	
DECISION BY THE SABINE RIVER	§	OF
AUTHORITY TO SET WATER	§	
RATES (LAKE FORK RESEVOIR)	§	ADMINISTRATIVE HEARINGS

COMMISSION STAFF'S RECOMMENDATION ON ESCROW AGREEMENT

TO THE HONORABLE WILLIAM G. NEWCHURCH:

Comes Now the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Recommendation on Escrow Agreement and would show the following:

I. BACKGROUND

On October 30, 2014, The City of Dallas (Dallas) filed with the Commission the Original Petition for Review and Request for Interim Rates seeking review from the Commission of a water rate for Lake Fork set by the Sabine River Authority (SRA). The petition was filed pursuant to Tex. Water Code §§ 12.013 and 13.043(f) (TWC) and Tex. Admin. Code § 24.131(a) (TAC). On December 5, 2014, Dallas filed the City Of Dallas' Motion for Expedited Commission Establishment of Interim Rates pursuant to 16 TAC § 24.29(d) and (e).

The Commission subsequently referred the matter to State Office of Administrative Hearings (SOAH). Before setting an interim rate, SOAH abated the case so the appropriate court could determine whether the rate being contested was charged pursuant to a contract. The Commission later confirmed SOAH's authority to set interim rates before abating the case, and referred the issue of whether to set interim rates back to SOAH. On April 2, 2015, SOAH Administrative Law Judge (ALJ) Newchurch heard oral arguments from the parties on whether interim rates should be established. In SOAH Order No. 8, the ALJ set an interim rate at \$0.5613/1,000 gallons and ordered SRA to deposit all collections under that rate into an escrow account.

On June 26, 2015, SRA filed a Request for Approval of Escrow Agreement asking the SOAH ALJ to approve the escrow agreement reached between Dallas and SRA. Staff filed a request for an extension of time to review the escrow agreement. SOAH Order No. 9 granted Staff's request and allowed parties until August 4, 2015 to file responses to SRA's motion. Therefore, this pleading is timely filed.

II. RECOMMENDATION

Staff conducted a case-by-case review of the proposed escrow agreement, and has determined it is sufficient to satisfy the needs and interests of this particular case. Staff recommends SRA's motion be granted and the escrow agreement be approved.

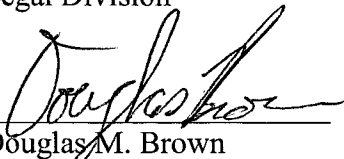
III. CONCLUSION

Staff respectfully requests the ALJ enter an order granting the above recommendation.

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

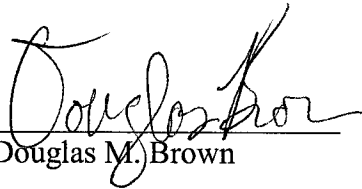
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SOAH DOCKET 473-15-1149.WS
DOCKET NO. 43674

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on July 20, 2015 in accordance with 16 TAC § 22.74.



Douglas M. Brown