



Control Number: 43931



Item Number: 4

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**DOCKET NO. 43931**

<b>APPEAL OF M.E.N. WATER SUPPLY CORPORATION, ANGUS WATER SUPPLY CORPORATION, CHATFIELD WATER SUPPLY CORPORATION, CORBET WATER SUPPLY CORPORATION, AND THE CITY OF KERENS FOR REVIEW OF A DECISION BY THE CITY OF CORSICANA TO SET WHOLESALE WATER RATES</b>	<b>§ § § § § § §</b>	<b>PUBLIC UTILITY COMMISSION OF TEXAS</b>
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**COMMISSION STAFF'S RESPONSE TO ORDER NO. 1 AND REQUEST FOR REFERRAL TO THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Response to Order No.1 and would show the following:

**I. BACKGROUND**

On December 9, 2014, M.E.N. Water Supply Corporation, Angus Water Supply Corporation, Chatfield Water Supply Corporation, Corbet Water Supply Corporation, and the City of Kerens (collectively, Petitioners) filed an Appeal for Review of a Decision by the City of Corsicana to set Wholesale Water Rates (Petition) pursuant to TEX. WATER CODE ANN. § 13.043(f). The Petition challenges the City of Corsicana's increase to wholesale water rates effective December 1, 2014.

On December 10, 2014, the Administrative Law Judge (ALJ) issued Order No. 1, which requires Staff to file a recommendation addressing whether the Petition meets the requirements of P.U.C. SUBST. R. 24.130 by December 12, 2014. Therefore, this Response is timely filed.

**II. RECOMMENDATION**

As detailed in the attached memorandum (Attachment A) of Elisabeth English, Engineering Specialist in the Water Utilities Division, and Fred Bednarski, Financial and Managerial Review Specialist in the Water Utilities Division, Staff has reviewed the Petition and determined the Petition does meet the requirements of P.U.C. SUBST. R. 24.130.

Petitioners filed a written petition with the Commission certifying that a copy of the Petition was served on the City of Corsicana. The Petition invokes the statutory authority of

TEX. WATER CODE ANN. § 13.043(f) and explains specific factual allegations of the dispute and the relief sought by Petitioners. Copies of the contracts between the City of Corsicana and each of the Petitioners was filed as well as copies of the letters from the City of Corsicana notifying Petitioners of the wholesale rate increase. Additionally, Petitioners provided a supplement to the Petition documenting the date the City of Corsicana's notice was received by the Petitioners, the earliest being September 11, 2014. Petitioners timely filed the petition within ninety (90) days of receiving the notice from the City of Corsicana. Therefore, Staff recommends that the petition be found to satisfy the requirements of P.U.C. SUBST. R. 24.130 and that it be referred to the State Office of Administrative Hearings for an evidentiary hearing.

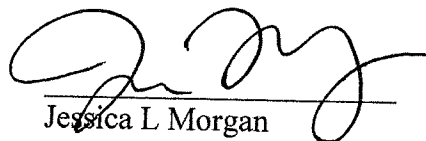
### III. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above recommendation.

**Dated: December 12, 2014**

Respectfully Submitted,  
Margaret Uhlig Pemberton  
Division Director  
Legal Division

Stephen Mack  
Managing Attorney  
Legal Division

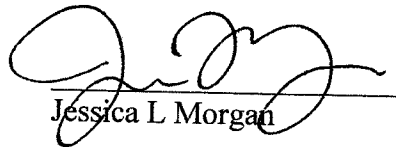


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on this December 12, 2014 in accordance with P.U.C. Procedural Rule 22.74.



Handwritten signature of Jessica L Morgan in black ink, written over a horizontal line.

Jessica L Morgan

# Attachment A

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Jessica Morgan  
Legal Division

**Thru:** Tammy Benter, Director  
Water Utilities Division

**FROM:** Elisabeth English, Engineering Specialist  
Fred Bednarski, Financial and Managerial Review Specialist  
Water Utilities Division

**DATE:** December 11, 2014.

**RE: DOCKET NO. 43931:** APPEAL OF M.E.N. WATER SUPPLY CORPORATION,  
ANGUS WATER SUPPLY CORPORATION, CHATFIELD WATER SUPPLY  
CORPORATION, CORBET WATER SUPPLY CORPORATION, AND THE CITY OF  
KERENS FOR REVIEW OF A DECISION BY THE CITY OF CORSICANA TO SET  
WHOLESALE WATER RATES

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On December 9, 2014, M.E.N. Water Supply Corporation, Angus Water Supply Corporation, Corbet Water Supply Corporation and the City of Kerens ("petitioners") filed a petition of wholesale water rates and a request for an interim water rate with the Public Utility Commission (PUC) pursuant to Texas Water Code (TWC) §13.043(f) and P.U.C. SUBST. R. § 24.131.

The filings contained a written petition, including a delivery certification, indicating that a copy of the petition was served to City of Corsicana. The petition invokes the statutory authority of TWC 13.043(f) and P.U.C. SUBST. R. § 24.131. The petition provided specific factual allegations and states the relief sought by the petitioners. A copy of the contract between the petitioners and the City of Corsicana was also filed. A copy of the letter from the City of Corsicana to M.E.N. Water Supply was provided indicating that the board approved the new rate on September 8, 2014. Additionally, the petitioners submitted supplemental documentation on December 11, 2014 which appears to confirm that the petition was filed pursuant to TWC §13.043(f), which requires the petition be filed within 90 days of the date that the affected retail political subdivision was noticed of the decision of the rate making authority

Staff has reviewed the appeal and has determined that the petition conforms with P.U.C. SUBST. R. 24.130. This review is limited to the sufficiency of the petition with regard to P.U.C. SUBST. R. 24.131. Staff has not determined whether or not specific elements included in the petition, or the resulting rates, are reasonable and necessary. Staff recommends the docket be referred to SOAH under P.U.C. SUBST. R. 24.131 for the purposes of conducting an evidentiary hearing.