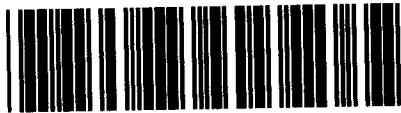


Control Number: 43934



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Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
Legislature, Regular Session, transferred the functions  
relating to the economic regulation of water and sewer  
utilities from the TCEQ to the PUC effective  
September 1, 2014

43934

Bryan W. Shaw, Ph.D, *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution  
POLLUTION UTILITY COMMISSION  
FILING CLERK

February 10, 2011

TO: Persons on the attached mailing list.

RE: Wiedenfeld Water Works, Inc.

SOAH Docket No. 582-09-3549; TCEQ Docket No. 2009-0372-UCR

Enclosed is a copy of an interim order issued by the Commission regarding the above-referenced matter.

Should you have any questions, please contact Melissa Schmidt of the Texas Commission on Environmental Quality's Office of the Chief Clerk (MC 105) at (512) 239-3317.

Sincerely,

A handwritten signature in cursive script that reads "LaDonna Castañuela".

LaDonna Castañuela  
Chief Clerk

LDC/ms

Enclosure

MAILING LIST  
for  
Wiedenfeld Water Works, Inc.  
SOAH Docket No. 582-09-3549  
TCEQ Docket No. 2009-0372-UCR

FOR THE APPLICANT:

Mark H. Zeppa  
Law Offices of Mark H. Zeppa, P.C.  
4833 Spicewood Springs Road, Suite 202  
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Attorney at Law  
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INTERESTED PERSONS:

Randall B. Wilburn  
Attorney at Law/Professional Engineer  
Wilburn Consulting LLC  
3000 South IH 35, Suite 150  
Austin, Texas 78704

FOR THE EXECUTIVE DIRECTOR  
via electronic mail:

Stefanie Skogen, Staff Attorney  
Texas Commission on Environmental  
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FOR THE CHIEF CLERK  
via electronic mail:

LaDonna Castañuela  
Texas Commission on Environmental  
Quality  
Office of Chief Clerk MC-105  
P.O. Box 13087  
Austin, Texas 78711-3087

\* The Honorable Lilo D. Pomerleau  
Administrative Law Judge  
State Office of Administrative Hearings  
P. O. Box 13025  
Austin, Texas 78711-3025

\* Courtesy Copy via e-Filing

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**AN INTERIM ORDER** concerning the Administrative Law Judge's Proposal for Decision and proposed Order regarding the application of Wiedenfeld Water Works, Inc., to change its water rates and tariffs; TCEQ Docket No. 2009-0372-UCR; SOAH Docket No. 582-09-3549.

On January 26, 2011, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered during its open meeting the Administrative Law Judge's ("ALJ's") Proposal for Decision and proposed Order regarding the application of Wiedenfeld Water Works, Inc., ("WWW" or "Applicant"), to change its water rates and tariffs; TCEQ Docket No. 2009-0372-UCR; SOAH Docket No. 582-09-3549.

After considering the ALJ's Proposal for Decision and recommended Order, the evidence in the record, the parties' exceptions and replies, the ALJ's reply to the parties' exceptions and replies and final recommendation, and the oral arguments at the January 26, 2011 Agenda, the Commission determined to remand the matter to SOAH to allow the ALJ and the parties to recalculate and report the revenue requirement and resulting rate design proven by the Applicant, whether the proven rates are higher or lower than the Applicant's existing rates, and what are the total refund amounts due to the customers to cover over-charges plus 0.28% interest over 25 months for the customer refund. The Commission determined that the ALJ and the parties are to make their final calculations based on: 1) finding that WWW satisfied the consolidated tariff criteria; 2) using the ALJ's recommendations on allowable expenses except allow WWW to recover \$11,927 for the four temporary employees as a re-classified contract labor expense and recover \$8,164 for lab fees as a repairs and maintenance expense; 3) making the other resulting changes to any other category that will be affected by these changes, including federal income

tax expenses and working cash allowance; 4) using the ALJ's recommendations on the rate base (including the ED's post-hearing depreciation and asset changes plus the purchase date change for the Dodge truck) and the 8.41% weighted average rate of return; and 5) using the ED's proposed fixed and variable cost percentages, gallons billed, and connection count for the rate design. The Commission directed the ALJ to modify her proposed Order to incorporate the ALJ's recommendations in her Reply to Exceptions, excluding the ED's recommended changes to Findings of Fact Nos. 55-57. The Commission determined to instruct the ALJ to issue a revised proposed Order that incorporates the Commission's rate decisions and the additional calculations. The Commission did not request the ALJ to reopen the record for additional evidence on other issues discussed by the parties during oral arguments at the January 26, 2011 Agenda.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that:

This matter is hereby REMANDED to SOAH to allow the parties and the ALJ to recalculate and report the revenue requirement and resulting rate design proven by the Applicant, whether the proven rates are higher or lower than the Applicant's existing rates, and what are the total refund amounts due to the customers to cover over-charges plus 0.28% interest over 25 months for the customer refund.

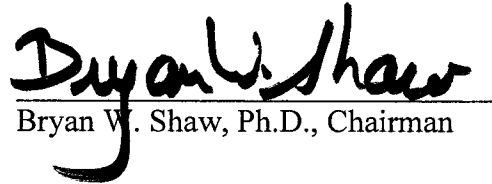
The ALJ and the parties are directed to make their final rate calculations based on: 1) finding that WWW satisfied the consolidated tariff criteria; 2) using the ALJ's recommendations on allowable expenses except allow WWW to recover \$11,927 for the four temporary employees as a re-classified contract labor expense and recover \$8,164 for lab fees as a repairs and maintenance expense; 3) making the other resulting changes to any other category that will be affected by these changes, including federal income tax expenses and working cash allowance; 4) using the ALJ's recommendations on the rate base (including the ED's post-hearing depreciation and asset changes plus the purchase date change for the Dodge truck) and the 8.41% weighted average rate of return; and 5) using the ED's proposed fixed and variable cost percentages, gallons billed and connection count for the rate design.

The ALJ is directed to modify her proposed Order to incorporate the ALJ's recommendations in her Reply to Exceptions, excluding the ED's recommended changes to Findings of Fact Nos. 55-57.

The ALJ is instructed to issue a revised proposed Order that translates the Commission's rate decisions and the additional calculations with the assistance of the parties.

Issue Date: FEB 08 2011

TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

  
Bryan W. Shaw, Ph.D., Chairman

43934

Bryan W. Shaw, Ph.D, *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
*Protecting Texas by Reducing and Preventing Pollution*

January 12, 2011

TO: All Persons on Mailing List

RE: **SOAH Docket No. 582-09-3549; TCEQ Docket No. 2009-0372-UCR.**  
Application for a Water Rate/Tariff Change of **Wiedenfeld Water Works, Inc.**  
Certificate of Convenience and Necessity No. 12052, in **Kerr, Kendall, and Medina**  
**Counties, Texas**

The above-referenced matter is scheduled to be considered by the Texas Commission on Environmental Quality on **January 26, 2011 at 9:30 A.M.** in Room 201S, Building E, 12100 Park 35 Circle, Austin, Texas.

Pursuant to 30 TAC § 80.263, oral presentations before the commission shall be limited to five minutes each, excluding time for answering questions, unless the chairman or general counsel establishes other limitations.

Sincerely,

A handwritten signature in cursive script, reading "LaDonna Castañuela".

LaDonna Castañuela  
Chief Clerk

LDC/mc