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DOCKET NO. 44236

APPLICATION OF CUSTOM WATER COMPANY, LLC, FOR A RATE/TARIFF CHANGE	§ § § §	PUBLIC UTILITY COMMISSION OF TEXAS	2016 FEB -5 PM 2:43 PUBLIC UTILITY CO. COMMISSION FILING CLERK
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**COMMISSION STAFF'S RESPONSE TO ORDER NO. 6 UPDATING
PROCEDURAL SCHEDULE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Response to Order No. 6 Updating Procedural Schedule. In support thereof, Staff shows the following:

I. BACKGROUND

On January 12, 2015, Custom Water Company, LLC (Custom Water) filed an application for a rate/tariff change with a proposed effective date of March 20, 2015. Under Custom Water's proposed rates, the monthly base rate including 1,000 gallons for a residential 5/8 or 3/4 pipe would increase from \$36.00 to \$54.43, and the gallonage charge would increase from \$5 to \$7 for each additional 1,000 gallons over the minimum.¹

Between March 20, 2015 and September 22, 2015, Customer Water charged its customers at the proposed rates. On October 7, 2015, State Office of Administrative Hearings (SOAH) Order No. 2 was issued setting interim rates back to Custom Water's previously approved rates. On November 2, 2015, Custom Water requested to withdraw its application, noting that if its request was granted, it would refund or credit to its customers the amount over-collected. On December 3, 2015, SOAH dismissed the matter from the SOAH docket, based upon Custom Water's request to withdraw and remanded the matter to the Commission for action on the refund of fees collected. On December 8, 2015, Staff filed its Recommendation on Final Disposition, recommending that Custom Water be required to refund the rates paid by customers from March 20, 2015 to September 22, 2015 that were over and above the final rates within 90 days of the date of the final order.

On January 12, 2016, Commission Order No. 6 was issued requiring Custom Water to file needed supplemental information regarding refunds by January 22, 2016. On January 25,

2016, Custom Water filed supplemental financial statements, requesting that the refund period be over 180 days. Order No. 6 also required Staff to propose an updated procedural schedule for this docket by February 5, 2016. Accordingly, this pleading is timely filed.

II. PROPOSED PROCEDURAL SCHEDULE

The parties have resolved the handling of refunds in this docket. Custom Water requested it be required to refund the rates paid by customers from March 20, 2015 to September 22, 2015 that were over and above the final rates within 180 days of the date of the final order and filed supplemental financial statements on January 25, 2016 in support of its request. Staff has reviewed the information provided by Custom Water in the supplemental financial statements and recommends refunding the amounts over-collected within 180 days. Because all issues have been resolved, Staff recommends that the parties submit a joint proposed order, including findings of fact, conclusions of law, and ordering paragraphs along with a request to admit evidence and proposed tariff by February 12, 2016.

III. CONCLUSION


Staff respectfully requests that an order be issued consistent with this Response.

February 5, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Karen S. Hubbard
Managing Attorney
Legal Division

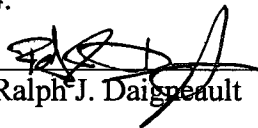

Ralph J. Daignault
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¹ Customer Water Company's Application at 34 (Jan. 12, 2015).

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 5, 2016 in accordance with 16 TAC § 22.74.


Ralph J. Daigneault