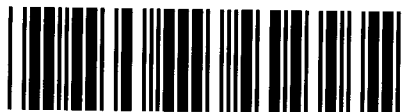




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DOCKET NO. 44236

APPLICATION OF CUSTOM WATER §
COMPANY, LLC FOR A §
RATE/TARIFF CHANGE §
§
§

PUBLIC UTILITY COMMISSION
2015 FEB 23 AM 10:51
FILING CLERK
OF
TEXAS

COMMISSION STAFF'S RESPONSE TO ORDER NO. 2

COMES NOW the Staff of the Public Utility Commission of Texas, representing the public interest and files this Response to Order No. 2. In support of its Response to Order No. 2, Staff states the following:

I. BACKGROUND

On January 12, 2015, Custom Water Company (Applicant) filed an Application for Water Rate/Tariff Change for water Certificate of Convenience and Necessity No. 13211 in Montague County, Texas, pursuant to TEX. WATER CODE ANN. § 13.187 and Title 16, TEX. ADMIN. CODE (16 TAC) § 24.21 and 24.22 (Application). Custom Water proposed an effective date of March 20, 2015.

On February 13, 2015, the Commission's Docket Management Division issued Order No. 2, requiring Applicant to cure its application by March 11, 2015 and for Staff to file a recommendation on the application, or propose a procedural schedule if necessary, by April 10, 2015. Applicant filed additional materials to supplement its application on February 17, 2015.

II. COMMENTS ON ADMINISTRATIVE COMPLETENESS OF APPLICATION

Staff has reviewed Custom Water's Application and has determined that Custom Water's Application is administratively complete in accordance with TEX. WATER CODE ANN. § 13.187 and Title 16, TEX. ADMIN. CODE (16 TAC) § 24.21, as detailed in the attached memorandum of Leila Guerrero, Heidi Graham, Emily Sears, and Jolie Mathis, of the Water Utilities Division, Staff recommends that the Application be found administratively complete and recommends that the ALJ issue an order to lift the suspension of effective date of rate increase and state that the new rate may go into effect on **March 20, 2015**.

III. PROPOSED PROCEDURAL SCHEDULE

Staff and Custom Water recommend the following procedural schedule:

<u>Event</u>	<u>Date</u>
Date application was filed with the Commission:	January 12, 2015
Deadline for Custom Water to provide notice to ratepayers and any affected municipalities:	February 11, 2015
Proposed effective date of rate change:	March 20, 2015
Deadline for ratepayers or any affected municipality to protest rates:	June 18, 2015 ¹
If no protest from affected municipality or sufficient ratepayer protests received, deadline for Commission Staff to request a hearing OR to file a recommendation on the compliance of Custom Water's proposed tariff with the Texas Water Code and the PUC substantive rules:	July 20, 2015 ²
Deadline for Custom Water to respond to Staff recommendation on tariff compliance or request a hearing; OR if no disputed issues exist, deadline for parties to file proposed findings of fact, conclusions of law, and ordering paragraphs:	August 5, 2015.

¹ Pursuant to P.U.C. SUBST. R. 24.28(1), if before the 91st day after the effective date of the rate change, the Commission receives a complaint from any affected municipality, or from the lesser of 1,000 or 10% of the ratepayers of the utility over whose rates the Commission has original jurisdiction, or on its own motion, the Commission shall set the matter for hearing. Ninety days after the proposed effective date of the rate change is June 18, 2015.

² Pursuant to P.U.C. SUBST. R. 24.28(3), if sufficient customer complaints are not received or if the Commission Staff does not request a hearing within 120 days after the proposed effective date, the utility's proposed tariff will be reviewed for compliance with the Texas Water Code and the Commission's substantive rules. One hundred and twenty days after the proposed effective date of the rate change is Saturday, July 18, 2015. The next working day is Monday, July 20, 2015.

IV. CONCLUSION

Staff recommends that the application be found administratively complete and recommends that the ALJ issue an order to lift the suspension of effective date of rate increase and state that the new rate may go into effect on March 20, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Shelah J. Cisneros
Managing Attorney
Legal Division



Katherine Lengieza Gross
Attorney-Legal Division
State Bar No. 24065610
(512) 936-7277
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 23rd day of February, 2015 in accordance with P.U.C. Procedural Rule 22.74.



Katherine Lengieza Gross

Public Utility Commission of Texas

Memorandum

TO: Katherine Gross, Attorney
Legal Division

THRU: Tammy Benter, Director
Water Utilities Division

FROM: Leila Guerrero, Regulatory Accountant/Auditor
Heidi Graham, Staff Engineer
Emily Sears, Auditor
Jolie Mathis, Staff Engineer
Water Utilities Division

DATE: February 20, 2015

SUBJECT: **Docket No. 44236**, Application of Custom Water Company, LLC for a Rate/Tariff Change

On January 12, 2015, Custom Water Company, LLC ("Applicant"), Certificate of Convenience and Necessity (CCN) No. 13211, filed an application with the Public Utility Commission of Texas (PUC) to change its water rates and to amend its tariff in Montague County, Texas. The Applicant's two water systems, Montague and Oak Shores Water Systems with a total of 252 connections are included in this rate change application. The Applicant seeks to increase rates for the two water systems effective **March 20, 2015**. This application was filed under the criteria in the Texas Water Code (TWC), Chapter 13, and the PUC Subst. R. Chapter 24, Subchapter B.

On February 13, 2015, the Applicant responded to the Commission Order No. 2 and provided the additional information requested. The Applicant informed the Commission that the Test Year should be listed as 9/1/2013 to 9/1/2014. The Applicant also noted that information on the depreciation schedule requested by Staff could be found as an attachment to the original application.

Based upon our review of the application and the subsequent documentation, Staff recommends that the Commission:

1. Deem the application filed for Docket No. 44236 sufficient for filing;
2. Lift the suspension of effective date of rate increase and inform the Applicant that the new rate may go into effect on **March 20, 2015**; and
3. Inform the Applicant that the application will be scheduled for a hearing, if:
 - a. the PUC receives complaints from at least 10% of the ratepayers or an

affected municipality, if any, within 90 days of the effective date of the rate increase; or,

- b. PUC Staff requests a hearing on its own motion.