



Control Number: 44291



Item Number: 23

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

SOAH DOCKET NO. 582-12-6658  
TCEQ DOCKET NO. 2012-1058-UCR

IN THE APPLICATION OF AQUA § BEFORE THE STATE OFFICE  
TEXAS, INC., AQUA UTILITIES, INC., §  
AQUA DEVELOPMENT, INC., HARPER §  
WATER COMPANY, INC., AND §  
KERRVILLE SOUTH WATER § OF  
COMPANY, INC., DBA AQUA TEXAS §  
FOR NORTH AND SOUTH WEST §  
REGION WATER RATE/TARIFF §  
CHANGES § ADMINISTRATIVE HEARINGS

ORDER NO. 5  
ADDRESSING MOTION FOR INTERIM RATES AND  
REFERRING NORTH REGION ISSUES TO MEDIATION

1. ED's Response to Motion to Adopt Interim Rates

In reviewing the electronic case file for this proceeding, the Administrative Law Judges (ALJs) discovered the "Response to the Recently Acquired Water Systems' Motion to Adopt Interim Rates" filed by the Executive Director (ED) on September 27, 2012. The ED's response states that it was filed in response to a particular protestant group's motion requesting the ALJs to set interim rates in this proceeding. However, the ALJs have not received the motion for interim rates and could not locate the motion in the electronic files of the State Office of Administrative Hearings (SOAH) or the Texas Commission on Environmental Quality. Therefore, this motion is not a motion currently pending at SOAH that requires the ALJs to issue a ruling.

2. Referral to Mediation


On September 5, 2012, Aqua Texas, Inc., Aqua Utilities, Inc., Aqua Development, Inc., Harper Water Company, Inc., and Kerrville South Water Company, Inc., d/b/a Aqua Texas (collectively, Aqua Texas) filed a motion requesting that the case be referred to SOAH mediators. On September 13, 2012, the Administrative Law Judges (ALJs) partially granted the request and referred the ratepayers in Aqua Texas' southwest region to mediation.

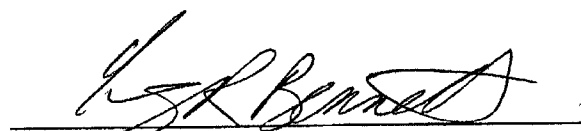
The ALJs declined to refer to mediation the ratepayers in the north region before the Spanish Oaks ratepayers had sufficient time to seek party status. It has now been over 30 days since Aqua Texas mailed the notice of this proceeding to the Spanish Oaks Ratepayers on August 29, 2012. As of the issuance of this order, no Spanish Oaks ratepayer has requested party status. The ALJs now conclude that the remainder of this case should be referred to mediation.

**IT IS, THEREFORE, ORDERED:**

1. The portion of this case concerning the proposed changes to the water rates for Aqua Texas' north region is hereby referred to SOAH's Alternative Dispute Resolution Team Leader, Judge Renee M. Rusch, for appointment of mediators and a period of mediation. With the issuance of this Order, the official file in this case is transferred to Judge Rusch.
2. The mediators will schedule the mediation in consultation with the parties.
3. The parties are ordered to appear at the mediation with a party representative (in addition to the attorney) who has full settlement authority for this matter.
4. At the request of the parties, the procedural schedule is not abated. The ALJs may abate the procedural schedule at a later date if requested to do so.
5. After a case is referred to mediation and the official file is transferred to Judge Rusch, the ALJs do not receive notification that documents have been filed in a case. If a party files a motion during the mediation period and needs a ruling, that party should contact Carmen Montalvo at (512) 475-3419 or [carmen.montalvo@soah.state.tx.us](mailto:carmen.montalvo@soah.state.tx.us), and she will inform the ALJs of the filing of the document.

**SIGNED October 2, 2012.**

  
**KERRIE JO QUALTROUGH**  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS

  
**CRAIG R. BENNETT**  
ADMINISTRATIVE LAW JUDGE  
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STYLE/CASE: AQUA UTILITIES, INC., AQUA TEXAS, INC. AQUA  
DEVELOPMENT, INC  
SOAH DOCKET NUMBER: 582-12-6658  
REFERRING AGENCY CASE: 2012-1058-UCR

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STATE OFFICE OF ADMINISTRATIVE  
HEARINGS

ADMINISTRATIVE LAW JUDGE  
ALJ KERRIE QUALTROUGH

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TIME SUBMITTED  
October 2, 2012 10:42:18 AM CDT

TIME COMPLETED  
October 2, 2012 10:59:38 AM CDT

SUCCESS ITEMS FAILED ITEMS  
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DATE: 10/02/2012

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 6

REGARDING: ORDER NO. 5 - ADDRESSING MOTION FOR INTERIM RATES AND REFERRING NORTH  
REGION ISSUES TO MEDITATION

DOCKET NUMBER: 582-12-6658

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