



Control Number: 44331



Item Number: 14

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APPLICATION OF MOORELAND §
WATER COMPANY FOR A WATER OR §
WASTEWATER RATE/TARIFF CHANGE §

2015 SEP 24 PM 2:20
PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

COMMISSION STAFF'S PROPOSED LIST OF ISSUES

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff's Revised Request for Referral to the State Office of Administrative Hearings. In support thereof, Staff shows the following:

I. BACKGROUND

On January 16, 2015, Mooreland Water Company (Mooreland) filed an application for a rate/tariff change. The Rate/Tariff Change application was filed to pay for repairs, system upgrades required by regulation, increased energy cost, increased chemical cost, increased laboratory fees, and Regulatory fees since the last rate increase in 1997. Mooreland reported an annual revenue increase of \$20,833.00 and proposed an effective date of January 15, 2015.

On September 16, 2015 this proceeding was referred to the State Office of Administrative Hearings. The Order of Referral required that Mooreland shall, and the Commission Staff and any other interested party may, file with the Commission a list of issues to be addressed in the docket by September 24, 2015. Accordingly, this list of issues is timely filed.

II. LIST OF ISSUES TO BE ADDRESSED

Staff has identified the following issues to be addressed:

1. What are the just and reasonable rates for Mooreland that are sufficient, equitable, and consistent in application to each customer class and that are not unreasonably preferential, prejudicial, or discriminatory as required by Tex. Water Code Ann. (TWC) § 13.182?
2. What revenue requirement will give Mooreland a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in

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excess of its reasonable and necessary operating expenses while preserving the financial integrity of the utility? TWC § 13.183(a) and 16 Tex. Admin. Code § 24.32(a) (TAC)

3. What is the reasonable and necessary cost of providing water and sewer service calculated in accordance with 16 TAC § 24.31?
4. What adjustments, if any, should be made to Mooreland's proposed test-year data? TWC § 13.185(d)(1) and 16 TAC § 24.31(b)
5. What is the appropriate debt-to-equity capital structure of Mooreland?
6. What is the appropriate overall rate of return, return on equity, and cost of debt for Mooreland? 16 TAC § 24.31(c)(1)
7. What are the reasonable and necessary components of Mooreland's invested capital? 16 TAC § 24.31(c)(2)
8. What is the original cost of the property used and useful in providing water or sewer service to the public at the time the property was dedicated to public use? TWC § 13.185(b) and 16 TAC § 24.31(c)(2)(A) and (B)
9. Does Mooreland have any water or sewer property that was acquired from an affiliate or a developer before September 1, 1976? If so, has such property been included by the utility in its rate base and has it been included in all ratemaking formulas at the actual cost of the property rather than the price set between the entities? TWC § 13.185(b) and 16 TAC § 24.31 (c)(2)(B)(i)
10. Has Mooreland financed any of its plant with developer contributions?
11. Has Mooreland included any customer contributions or donations in invested capital?
12. What is the amount, if any, of accumulated depreciation on that property?
13. What is the reasonable and necessary working capital allowance for Mooreland? 16 TAC § 24.31(c)(2)(C)
14. Does Mooreland have any debt, and, if so, what is the cost of that debt?

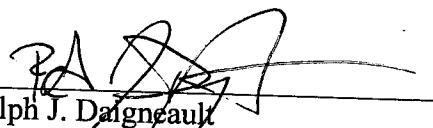
15. What are Mooreland's reasonable and necessary operations and maintenance expenses? 16 TAC § 24.3 1 (b)(1)(A)
16. What are Mooreland's reasonable and necessary administrative and general expenses?
17. What is the reasonable and necessary depreciation expense? For each class of property, what are the proper and adequate depreciation rates (including service lives and salvage values) and methods for depreciation? TWC § 13.185(j) and 16 TAC § 24.3 1 (b)(1)(B).
18. What is the reasonable and necessary amount for assessment and taxes, other than federal income taxes? 16 TAC § 24.3 1 (b)(1)(C)
19. What is the reasonable and necessary amount for Mooreland's federal income tax expense? 16 TAC § 24.31(b)(1)(D) and, if applicable, Tex. Water Code Ann. § 13.185(f)
20. Is Mooreland's revenue requirement properly allocated between water and sewer services?
21. What is the appropriate rate design for each rate class?
22. What are Mooreland's reasonable and necessary expenses incurred in this rate proceeding?
23. If a refund or surcharge results from this proceeding, how and over what period of time should that be made? TWC § 13.187
24. Has Mooreland met the requirements for a request for interim relief in the form of interim rates? If so, what are the appropriate levels of the interim rates? 16 TAC § 24.29
25. What is the appropriate effective date of the rates fixed by the Commission in this proceeding? TWC § 13.187

Dated: September 24, 2015

Respectfully Submitted,

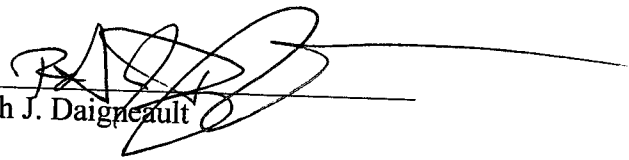
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on September 24, 2015 in accordance with 16 TAC § 22.74.


Ralph J. Daigneault