

Control Number: 44331



Item Number: 4

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DOCKET NO. 44331

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

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2015 FEB 6 PM 3:32  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
FILING CLERK

**STAFF'S RESPONSE TO ORDER NO. 1**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 1, and would show 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 January 21, 2015, Order No. 1 was issued which required that Staff file a recommendation on the application or propose a procedural schedule by February 6, 2015. Accordingly, this pleading is timely filed.

**II. Recommendation on Administrative Sufficiency**

Based on the attached memorandum from George Gogonas, Utility Rates Analyst, Heidi Graham, Engineer, Elisabeth English, Engineering Specialist, and Emily Sears, Utility Rates Analyst of the Water Utilities Division, Staff finds the application deficient.

**III. Proposed Procedural Schedule**

Due to the deficiencies in the application, Staff does not recommend a procedural schedule for the evaluation of the merits at this time. Staff recommends that Mooreland be given until March 6, 2015 to cure the deficiencies identified in the attached memorandum. Staff

proposes a deadline of April 3, 2015 for Staff to file a supplemental recommendation regarding administrative completeness of the amended application and notice, along with a proposed procedural schedule if the application is deemed administratively complete.

#### IV. Conclusion


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

**Dated: February 6, 2014**

Respectfully Submitted,

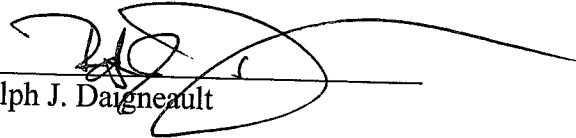
Margaret Uhlig Pemberton  
Division Director – Legal Division

Karen S. Hubbard  
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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 6, 2015, in accordance with P.U.C. Procedural Rule 22.74.

  
\_\_\_\_\_  
Ralph J. Daigneault

# Public Utility Commission of Texas

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## Memorandum

**To:** Ralph Daigneault, Attorney  
Legal Division

**Thru:** Tammy Benter, Director  
Water Utilities Division

**From:** George Gogonas, Utility Rates Analyst  
Heidi Graham, Engineer  
Elisabeth English, Engineering Specialist  
Emily Sears, Utility Rates Analyst  
Water Utilities Division

**Date:** February 4, 2015

**Subject:** Docket No. 44331; Application of Mooreland Water Company for a Water Rate/Tariff change

On January 16, 2015, Mooreland Water Company (Applicant), Certificate of Convenience and Necessity (CCN) No. 11603, filed a rate change application pursuant to the criteria in the Texas Water Code (TWC), §13.187 and PUC Subst. §§24.21 and 24.22.

Based on our administrative review of the application, we found the application insufficient for filing. Specifically, the application had deficiencies in the provided content as well as an insufficient notice to customers.

The notice was delivered to customers only two (2) days prior to the effective date; PUC Subst. §24.22 requires the applicant to give notice of the proposed rate change to all affected utility customers at least 60 days prior to the proposed effective date. Therefore, we recommend the following:

1. Suspend the effective date of the proposed rate change until after proper notice has been given;
2. Re-notice the customers with a new effective date to be at least sixty (60) days from the date that the new notice is mailed or delivered to the customers;
3. File an original and six (6) copies of the revised customer notice and a notarized affidavit as proof that a revised notice was sent to the customers;
4. Refund any excess amount collected if the Applicant has already implemented the proposed rates prior to providing a corrected notice. If the proposed rates have already been implemented, the Applicant should issue refunds and should provide supporting documentation as evidence that refunds have been made. If the Applicant has not already

implemented the proposed rates, Applicant should provide a statement that the proposed rates have not been implemented and therefore, refunds are not necessary.

Additionally, it was noted that the stated existing charge for 10,000 Gallons (G) on the notice was calculated incorrectly per the existing rate. The applicant should re-calculate the existing charge for 10,000 G, and update the notice accordingly prior to sending out the corrected notice.

All sections of the application should be completed following the instructions provided. The applicant is advised to review and amend the following:

1. Page eight (8) was not included in the filed application;
2. Page nine (9) should include the entire inventory of the water utility plant;
3. Section IV, which includes the long term debt and equity information, should be completed following the instructions found on the PUC website ([http://www.puc.texas.gov/industry/water/Forms/Rate\\_Change\\_Application\\_Instructions.pdf](http://www.puc.texas.gov/industry/water/Forms/Rate_Change_Application_Instructions.pdf));
4. The test year, provided on page thirteen (13), should include a day, month, and a year.
5. An original copy of the full proposed tariff, and six (6) copies, should be filed.