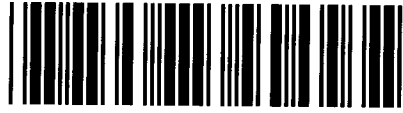


Control Number: 44331



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DOCKET NO. 44331

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

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COMMISSION STAFF'S RESPONSE TO ORDER NO. 2

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Response to Order No. 2 and states 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 February 10, 2015, Order No. 2 was issued which required Mooreland to cure all deficiencies in its application that had been identified by Staff by March 6, 2015. Order No. 2 also required Mooreland to file supporting documentation by February 20, 2015 demonstrating that proposed rates had not been implemented or that refunds had been made. Mooreland filed additional materials to supplement its application on February 24, 2015. Finally, Order No. 2 required that Staff file a recommendation on the administrative completeness of the amended application and notice by April 3, 2015. Accordingly, this pleading is timely filed.

II. Recommendation on Administrative Sufficiency

Staff has reviewed Mooreland's application and finds it 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 George Gogonas, Utility Rates Analyst, Heidi Graham, Engineer, Elisabeth English, Engineering Specialist, and Emily Sears, Utility Rates Analyst of the Water Utilities Division. Staff recommends that the application be found

administratively complete and that an order be issued stating that the new rate may go into effect on **May 14, 2015**, as per the notice provided in the amended application (item 7). Additionally, Staff recommends that Mooreland be required to file a statement demonstrating that proposed rates have not been implemented or that refunds have been made.

III. Proposed Procedural Schedule

Staff recommends the following procedural schedule:

Event	Deadline
Date application was filed with the Commission:	January 16, 2015
Deadline for Mooreland to provide notice to ratepayers and any affected municipalities:	February 21, 2015
Proposed effective date of rate change:	May 14, 2015
Deadline for ratepayers or any affected municipality to protest rates:	August 12, 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 Mooreland's proposed tariff with the Texas Water Code and the PUC substantive rules:	September 11, 2015 ²
Deadline for Mooreland 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:	September 28, 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 August 12, 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 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 September 11, 2015.

IV. Conclusion

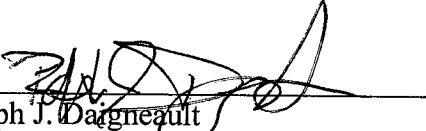
Staff recommends that the application be found administratively complete and that an order be issued stating that the new rate may go into effect on May 14, 2015. Additionally, Staff recommends that Mooreland be required to file a statement demonstrating that proposed rates have not been implemented or that refunds have been made.

Dated: March 11, 2015

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director-Legal Division

Karen S. Hubbard
Managing Attorney - Legal Division


Ralph J. Daigneault
Attorney-Legal Division
State Bar No. 24040755
(512) 936-7348
(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 March 11, 2015 in accordance with P.U.C. Procedural Rule 22.74.


Ralph J. Daigneault

Public Utility Commission of Texas

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: March 11, 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. On February 10, 2015 staff deemed the application insufficient for filing.

The Applicant amended the notice delivered to customer, as per Order 2. The error in the calculation of the existing rates for 10,000 gallons specified on the notice is now accurate. The Applicant amended the effective date of the proposed rate increase from January 15, 2015 to May 14, 2015, which is 82 days from when the revised notice was mailed to customers on February 21, 2015. The Applicant did not include a statement addressing if the rates were implemented, or if refunds were necessary.

Based on our administrative review of the application, we found the application sufficient for filing. Staff recommends the following:

1. Instruct the Applicant that the new rate may go into effect on May 14, 2015, as per the notice provided in the amended application (item 7).
2. Inform the Applicant that the application will be scheduled for a hearing, if:
 - a. the Public Utility Commission (PUC) receives protests from at least 10% of the ratepayers within 90 days of the effective date of the rate increase;
 - b. or, if PUC staff protests the application on its own motion.
3. Provide a statement addressing the need, or lack thereof, for refunds to customers based on the original application and effective date.

Please note the proposed rate is subject to review and re-calculation by the technical staff assigned to the application. During the technical review the Applicant may be contacted, or further information may be requested. After the technical review is complete, the Applicant will be informed of the final rate including a copy of the tariff.