



Control Number: 44600



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DOCKET NO. 44600

**APPLICATION OF ROLLING HILLS
WATER SERVICE, INC. FOR A RATE
TARIFF CHANGE**

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PUBLIC UTILITY COMMISSION PM 2:22
OF
TEXAS

STAFF'S RESPONSE TO ORDER NO. 1

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Response to Order No. 1.

I. BACKGROUND

On March 31, 2015, Rolling Hills Water Service, Inc. (Rolling Hills or Applicant) filed an Application for Water Rate/Tariff Change (Application) for water certificate of convenience and necessity (CCN) No. 12724 in Hood County, Texas pursuant to TEX. WATER CODE ANN. (TWC) § 13.187 and 16 TEX. ADMIN. CODE (16 TAC) § 24.22.

In Order No. 1, the administrative law judge (ALJ) directed Staff to file comments addressing whether the Application and notice are administratively complete and to submit a proposed procedural schedule by April 30, 2015. Therefore this response is timely.

II. SUFFICIENCY OF APPLICATION

TWC. § 13.187 and 16 TAC § 24.22 provide that in order to change its rates, a utility must file an original completed application with the Commission and must give proper notice of the proposed rate change to all affected utility customers at least 60 days prior to the proposed effective date of the rate change. The application was completed and was filed with a copy of the notice. The notice meets the requirements of 16 TAC § 24.22(a)(1) because it included the utility's name and address, current rates, the proposed rates, the effective date of the rate change, the requested revenue increase, and the classes of utility customers affected. Furthermore, the notice provided information on how to protest rates as required by 16 TAC § 24.22(a)(2), the billing comparison between the new and existing rates for using 10,000 gallons of water and 30,000 gallons of water, the reasons for the rate change in compliance with 16 TAC § 291.22 (a)(3) *et seq.*

III. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule:

<u>Event</u>	<u>Date</u>
Date application was filed.	March 31, 2015
Effective Date of Rate Change.	June 1, 2015
Deadline for ratepayers or any affected municipality to protest rates. ¹	August 31, 2015
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 Applicant's proposed tariff with the Texas Water Code and the PUC substantive rules. ²	September 15, 2015
Deadline for Applicant to respond to Staff recommendation on tariff compliance or request a hearing; OR if no disputed issues exist, deadline for parties to file proposed notice of approval with findings of fact, conclusions of law, and ordering paragraphs.	September 29, 2015

IV. CONCLUSION

Staff recommends that the ALJ find the Application to be administratively complete and issue an order including Staff's proposed procedural schedule.

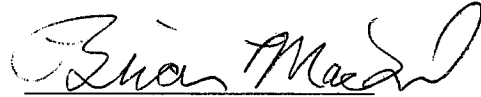
¹ Pursuant to 16 TAC § 24.28(1), if before the 91st day after the effective date of the rate change, the Commission receives a complaint from any affected municipality, or from the lesser of 1,000 or 10% of the ratepayers of the utility over whose rates the Commission has original jurisdiction, or on its own motion, the Commission shall set the matter for hearing.

² Pursuant to 16 TAC § 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.

Respectfully Submitted,

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Division Director
Legal Division

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 1, 2015, in accordance with P.U.C. Procedural Rule 22.74.



Brian MacLeod, Attorney

Public Utility Commission of Texas

Memorandum

TO: Brian MacLeod, Attorney
Legal Division

THRU: Tammy Benter, Director
Debi Loockerman, Manager, Water Rates Analysis
Water Utilities Division

FROM: Mary Lupo, Regulatory Accountant/Auditor
Heidi Graham, Staff Engineer
Jose Castillo, Staff Engineer
Water Utilities Division

DATE: April 30, 2015

SUBJECT: Docket No. 44600, Application of Rolling Hills Water Service, Inc. for a Rate/Tariff Change

On March 30, 2015, Rolling Hills Water Service, Inc. (Applicant), Certificate of Convenience and Necessity (CCN) No. 12724, filed a water rate/tariff change application with the Public Utility Commission of Texas (PUC) to change its water rates in Hood County, Texas. The Applicant seeks to increase its rates effective **June 1, 2015**. This application was filed under the criteria in the Texas Water Code (TWC), Chapter 13, and the Texas Administrative Code (TAC) Chapter 24, Subchapter B. Staff has reviewed the application and find that it meets the requirements of TWC § 13.187 in that it included the required notice that met all the requirements of 16 Texas Administrative Code 16 TAC) § 24.22.

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

1. Deem the application filed for Docket No. 44600 as administratively complete and sufficient for filing;
2. Inform the Applicant that the new rate may go into effect on June 1, 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 protests the application on its own motion.