



Control Number: 44809



Item Number: 16

Addendum StartPage: 0

APPLICATION OF QUADVEST, L.P. §  
FOR A RATE/TARIFF CHANGE §  
§

2015 JUL 15 PM 1:54  
PUBLIC UTILITY COMMISSION  
CLERK  
OF TEXAS

### COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Recommendation on Sufficiency and would show the following:

#### I. BACKGROUND

On June 5, 2015, Quadvest, LP (Quadvest or Applicant) filed with the Public Utility Commission of Texas (Commission) an application for a rate/tariff change (Application) within the counties of Aransas Pass, Brazoria, Fort Bend, Harris, Jackson, Liberty, Matagorda, Montgomery, Walker and Waller and within the city of Richmond. Quadvest requests approval of the change in rates alleging a need for additional revenue to eliminate a present earnings deficiency. Quadvest proposed two phases of rate increases: one for new facilities already placed in service, the second for new facilities that will be placed in service. The effective date for the first phase of the proposed rate change is August 8, 2015. The effective date for the second phase of the proposed rate change is January 1, 2016. On June 12, 2015, the Commission issued Order No. 1 and instructed Staff to provide a recommendation regarding (1) administrative completeness of this application and notice, (2) how this application should be processed, and (3) proposal of a procedural schedule by July 6, 2015. After a Request for Good Cause Exception and Extension of Time, Order No. 2 extended this deadline to July 15, 2015. Therefore, this pleading is timely filed.

#### II. SUFFICIENCY OF THE APPLICATION

As noted in the memorandum of Sean Scaff and Debi Loockerman of the Water Utilities Division, (Attachment A), Staff recommends the Application be deemed insufficient for filing. Staff's review of the "Notice of Proposed Rate Change" filed with the Application raised questions

regarding the pass-through gallonage charge listed on the notice. The Applicant is working to provide additional documentation that may clarify this issue. Therefore, Staff recommends the Applicant be allowed until July 23, 2015 to file the supplemental information and Staff be allowed until July 31, 2015 to file a supplemental recommendation on sufficiency.

### III. CONCLUSION

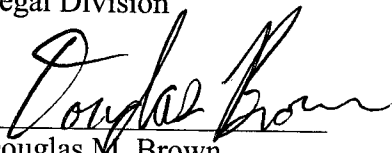
Staff respectfully requests that the ALJ issue an order reflecting the above recommendation.

Dated: July 15, 2015

Respectfully Submitted,

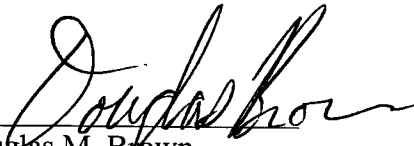
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**DOCKET NO. 44809**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on or before July 15, 2015 in accordance with 16 TAC § 22.74.

  
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Douglas M. Brown

# **ATTACHMENT A**

## PUC Interoffice Memorandum

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**To:** Doug Brown, Attorney  
Legal Division

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

**From:** Debi Loockerman, Rates Team Lead  
Sean Scaff, Engineering Specialist  
Water Utilities Division

**Date:** July 14, 2015

**Subject:** Docket No 44809, *Application of Quadvest, LP for a Rate/Tariff Change*

On June 5, 2015, Quadvest, LP (Quadvest) filed an application for a rate/tariff change within the counties of Aransas Pass, Brazoria, Fort Bend, Harris, Jackson, Liberty, Matagorda, Montgomery, Walker, Waller and within the City of Richmond. Order No. 1 requested that Staff review the application for administrative completeness by July 6, 2015.

On July 6, 2015, Commission Staff requested an extension of the July 6, 2015 administrative completeness deadline, as Staff had requested clarification from Quadvest, L.P. regarding an issue that is determinative of sufficiency. Commission Staff requested a good cause exception to 16 Tex. Admin. Code § 24.8(a) (TAC) pursuant 16 TAC § 22.5(b). The extension was granted, and Order No. 2 requested that Staff review the application for administrative completeness and file a recommendation on or before July 15, 2015.

Staff's review of the "Notice of Proposed Rate Change" provided to customers found that the pass through gallonage charge listed on the notice may be incorrect for the Quadvest, LP – Water Rates and Decker Oaks – Water Rates systems under the "Current Rates" column of the notice. The staff's review indicates that the application is deficient until information is received that supports the current rates listed in the notice.

Therefore, Staff recommends:

- 1) The application be deemed deficient;
- 2) The applicant be required to provide documentation that the pass through rates are correct as noticed.