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July 23, 2015

Donna L. Nelson, Chairman  
Commissioner Kenneth W. Anderson, Jr.  
Commissioner Brandy Marty  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
Austin, TX 78711

Re: Dkt. No. 44809; Application of Quadvest, L.P. for a Rate/Tariff Change; Public  
Utility Commission of Texas

Dear Chairman Nelson and Commissioners Anderson and Marty:

I am writing you regarding the Public Utility Commission's July 17, 2015 Order, stating that Quadvest L.P.'s June 5 application for a rate/tariff change was deficient due to Quadvest's failure to file its pass thru application, and allowing Quadvest until July 23, 2015 to file supplemental information. Staff has been extremely helpful in helping Quadvest address this issue. Quadvest noticed its customers in March, but did not file its notice due to an administrative error. Its customers received notice by mail, and have been paying the increased charges since that time. As a threshold matter, the failure to file a notice has no effect on administrative completeness. The application as filed stands complete on its own. However, upon bringing the failure to file notice to Quadvest's attention, Quadvest immediately filed its pass thru application.

Furthermore, forcing Quadvest to re-notice would create confusion with its over 8000 customers. The current effective date is March 8, 2015 and should remain the same upon Commission approval. Moreover, Quadvest is approximately \$165,000 in arrears on pass thru fees through June 2015, even including the increase from March. This is a result of lower than anticipated water usage due to wet weather this year. This is a pass thru fee, therefore any reductions to gallonage charge or delay in effective date will ultimately result in either a higher pass thru charge in future periods or possibly a surcharge scenario. This does not appear to be in Quadvest's customers' best interest as it further disconnects Quadvest's customers' actual water usage from the associated cost of such water. The customers who paid the different water rates in the past will not be the same ones who will be paying for it in the future. However, Quadvest submits that this has no bearing on administrative completeness, and can be dealt with through the rate case filings or future pass thru filings. In sum, we urge you to accept the application as

administratively complete, and approve the application. Quadvest and Staff have been cooperatively working to address this issue and will continue to do so. We reserve the right to supplement as further discussions ensue. We appreciate Staff's efforts and assistance throughout this process. We look forward to continuing our cooperative efforts with Staff.

Very truly yours,

*Tammy Wavle Shea*

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*by permission*  
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