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DOCKET NO. 45231

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**RATEPAYERS' APPEAL OF THE
DECISION BY TROPHY CLUB
MUNICIPAL UTILITY DISTRICT
NO. 1 TO CHANGE RATES**

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PUBLIC UTILITY COMMISSION

OF TEXAS

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PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S RESPONSE TO ORDER NO. 3

Comes now the staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 3. In support thereof, Staff would show the following:

I. BACKGROUND

On December 21, 2015, the Administrative Law Judge (ALJ) issued Order No. 3, requiring Staff to provide a recommendation by January 22, 2016 regarding whether the Trophy Club Public Improvement District (PID) Ratepayers' appeal should be severed from the instant proceeding. Therefore, this pleading is timely filed.

II. STAFF RECOMMENDATION ON PID RATEPAYERS' APPEAL

Staff does not believe that it is necessary to sever the PID Ratepayers' appeal. Instead, Staff recommends that the PID Ratepayers be granted intervenor status in the instant proceeding. Under Commission rules:

A person has standing to intervene if that person:

- (1) has a right to participate which is expressly conferred by statute, commission rule or order or other law; or
- (2) has or represents persons with a justiciable interest which may be adversely affected by the outcome of the proceeding.¹

Because the PID's rates are contractually linked to the Trophy Club Municipal Utility District's (MUD's) rates – such that an increase or decrease in MUD rates will cause a similar increase or decrease in PID rates – the outcome of this proceeding will directly affect the justiciable interest

¹ 16 TAC § 22.103(b).

of the PID Ratepayers.² Accordingly, the PID Ratepayers have a justiciable interest that may be adversely affected by the outcome of this proceeding and as such should be allowed to intervene.

III. CONCLUSION

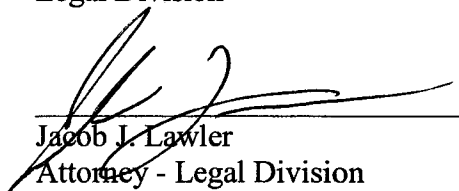
For the reasons discussed above, Staff recommends that the PID Ratepayers be granted intervenor status in the instant proceeding.

Date: January 22, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

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² See Trophy Club Municipal Utility District No. 1's (TCMUD's) Response to Commission Staff's First Request for Information at Bates TCMUD000038-39 (Contract between the Town of Trophy Club and TCMUD, wherein the Town agrees that "Except as provided in Section 7.1(d) below, the Town Rate Order shall be identical to the existing MUD Rate Order . . . [and the Town shall take certain actions] such that the effective date of any changes to the Town Rate Order and MUD Rate Order shall be identical." Although Section 7.1(d) allows the Town to add a special surcharge to PID rates, it also requires "that the volumetric rates for water and wastewater service to Town Customers under the Town Rate Order must be identical to the MUD volumetric rates for water and wastewater service under the MUD Rate Order, and the Town Surcharge shall not be a gallonage charge (and instead shall be a fixed sum).").

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 22, 2016 in accordance with 16 TAC § 22.74.



Jacob J. Lawler