



Control Number: 45231



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**PUC DOCKET NO. 45231
SOAH DOCKET NO. 473-16-1836.WS**

**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**
FILING CLERK

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COMMISSION STAFF'S PROPOSED LIST OF ISSUES

Comes now the staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Proposed List of Issues. In support thereof, Staff would show the following:

I. Background

On October 8, 2015, ratepayers of Trophy Club Municipal Utility District No. 1 (TCMUD) filed with the Commission a petition appealing the decision by TCMUD to increase water and sewer rates effective September 1, 2015. This petition was signed by approximately 429 ratepayers of TCMUD.

On January 11, 2016, the Commission referred this matter to the State Office of Administrative Hearings (SOAH) and required parties to file lists of issues by January 26, 2016. Therefore, this pleading is timely filed.

II. Issues to be Addressed

Staff has identified the following issues to be addressed in this docket:

1. Did the petition appealing the rate change by TCMUD follow the requirements of Tex. Water Code Ann § 13.043(b), (c), and (d); 16 Tex. Admin. Code § 24.41(b), (c), and (d); and 16 Tex. Admin. Code § 24.42(a) and (b)?
 - a. Was the petition filed within 90 days after the effective date of the rate change? Tex. Water Code Ann § 13.043(c) and 16 Tex. Admin. Code § 24.41(b).
 - b. What number of ratepayers had their rates changed? Tex. Water Code Ann § 13.043(c) and (d) and 16 Tex. Admin. Code § 24.41(d).

- c. Did the lesser of 10,000 or 10% of those ratepayers file valid protests to TCMUD's rate change? Tex. Water Code Ann § 13.043(c) and 16 Tex. Admin. Code § 24.41(b).
2. Considering only the information available to the board of directors, what are the just and reasonable rates for TCMUD that are sufficient, equitable, and consistent in application to each customer class and that are not unreasonably preferential, prejudicial, or discriminatory? Tex. Water Code Ann § 13.043(e) and (j) and 16 Tex. Admin. Code § 24.41(e) and (i).
 - a. What is the appropriate methodology to determine just and reasonable rates for TCMUD's customers?
 - b. What is the revenue requirement that would give TCMUD sufficient funds to provide adequate retail water service? What is the revenue requirement that would give TCMUD sufficient funds to provide adequate retail sewer service?
 - c. What is the appropriate allocation of the revenue to customer classes?
 - d. What is the appropriate design of rates for each class to recover TCMUD's revenue requirement?
3. What are the reasonable expenses incurred by TCMUD in this proceeding? Tex. Water Code Ann § 13.043(e) and 16 Tex. Admin. Code § 24.41(e)(2).
 - a. Should the Commission allow recovery of these reasonable expenses?
 - b. If so, what is the appropriate recovery mechanism?
4. What is the appropriate effective date of the rates fixed by the Commission in this proceeding? Tex. Water Code Ann § 13.043(e) and 16 Tex. Admin. Code § 24.41(e)(3).
5. If the Commission establishes rates different than the rates set by TCMUD, should the Commission order refunds or allow surcharges to recover lost revenues? If so, what is the

appropriate amount and over what time period should the refund or surcharge be in place?
Tex. Water Code Ann § 13.043(e) and 16 Tex. Admin. Code § 24.41(e)(4).

III. Issues Not to be Addressed

At this time, Staff has not identified any issues not to be addressed.

Date: January 25, 2016

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division

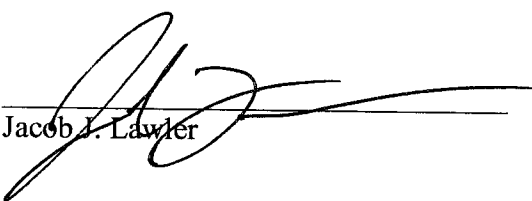


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 25, 2016 in accordance with 16 TAC § 22.74.



Jacob J. Lawler