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RATEPAYERS' APPEAL OF THE  
DECISION BY NORTH SAN SABA  
WATER SUPPLY CORPORATION TO  
CHANGE RATES

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BEFORE THE STATE OFFICE  
PUBLIC UTILITY COMMISSION  
FILING CLERK

OF

ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY

OF

RICHARD T. MILLER

ON BEHALF OF

NORTH SAN SABA WATER SUPPLY CORPORATION

March 31, 2016

28

**INDEX TO THE DIRECT TESTIMONY OF**  
**RICHARD T. MILLER, WITNESS FOR**  
**NORTH SAN SABA WATER SUPPLY CORPORATION**

- I. INTRODUCTION**
- II. PURPOSE AND SCOPE**
- III. RECOMMENDATIONS**
- IV. CONCLUSION**

**LIST OF EXHIBITS**

**EXHIBIT RTM-1 Miller CV**

**EXHIBIT RTM-2 Invoices to NSSWSC from Law Office of Richard T. Miller**

1                                   **DIRECT TESTIMONY OF RICHARD T. MILLER**

2   **I.    INTRODUCTION**

3   **Q.    Please state your name and address.**

4   A.    My name is Richard T. Miller. I am an attorney and owner of my firm, the Law  
5           Office of Richard T. Miller

6   **Q.    Please summarize your professional background.**

7   A.    I have been licensed to practice law since 1974 and have been in private practice  
8           since that time. I have handled a wide variety of civil litigation on both sides of the  
9           docket. I have served as the Chair of the State Bar of Texas Board of Directors, as  
10          well as a member. I have also served as a member of the Unauthorized Practice of  
11          Law Subcommittee the former Chair of the District 15-B Grievance Committee. A  
12          copy of my CV is submitted.

13 **[NSSWSC OFFERS EXH. RTM-1 – Miller CV]**

14   **II.    PURPOSE AND SCOPE**

15 **Q.    What is the purpose of your testimony in this proceeding?**

16 A.    The purpose of my testimony is to present expert opinion concerning the  
17          reasonableness of the rate case expenses the North San Saba Water Supply  
18          Corporation has incurred in preparing and prosecuting the rate appeal filed by a  
19          portion of its members last year and continuing to this date.

20               Reimbursable rate case expenses were incurred by the NSSWSC starting in  
21               or around October 2015 when this rate appeal was filed with the Public Utilities  
22               Commission. NSSWSC is requesting reimbursement of all reasonable rate case

1 expenses. My testimony supports the reasonableness of the legal and consultant  
2 expenses incurred by NSSWSC regarding this appeal proceeding.

3 **III. RECOMMENDATIONS**

4 **Q. What are your recommendations?**

5 A. Based upon my review, I recommend that NSSWSC's adopted rates and revenue  
6 requirements be allowed to recover the reasonable and necessary legal and  
7 consultant rate case expenses of \$3,056.95, plus the supplemental amount that will  
8 be provided at hearing.

9 **Q. Please describe the process you took to reach that conclusion.**

10 A. Based on my experience and education and following a thorough and critical review  
11 of all the relevant information, I have concluded that the reasonable and necessary  
12 NSSWSC legal expenses from October 2015 through March 2016 are  
13 approximately \$3,056.95. This is approximate because the legal bills are not yet  
14 final, as new work is being done on this case continuously. I recommend the PUC  
15 find that amount, plus any further expenses incurred up to hearing, to be the  
16 reasonable and necessary reimbursable legal rate case expense for NSSWSC in this  
17 proceeding.

18 I have directed the work performed by the Law Office of Richard T. Miller  
19 staff on behalf of NSSWSC since the firm was hired by NSSWSC. I have reviewed  
20 the billings of my office submitted to NSSWSC for legal services from October  
21 2015 through the present in connection with NSSWSC's defense of its rates. I  
22 affirm those billings accurately reflect the time spent and expenditures incurred by  
23 the Law Office of Richard T. Miller and NSSWSC's behalf. My office is actually

1 representing NSSWSC at a rate that is significantly reduced from my normal rate.  
2 None of the charges billed to NSSWSC have been recovered through  
3 reimbursement for other expenses. The expenses charged were associated with  
4 matters connected with the review of NSSWSC's rate and were necessary to advise  
5 NSSWSC and to accomplish tasks in this rate proceeding.

6 The fees and expenses were necessary and for the legal representation of  
7 NSSWSC. The legal work included advising NSSWSC on strategy, review of  
8 NSSWSC files, preparation of pleadings and other documents, and review and  
9 preparation of evidentiary testimony and exhibits to be submitted for the upcoming  
10 hearing on the merits. These legal expenses were also incurred in preparation of  
11 responses to discovery propounded by other parties in this proceeding.

12 The legal assistant's hourly rate of \$50, upon which part of the billings are,  
13 or will be, based, is the same hourly rate charged other clients for comparable  
14 services during the same time frame. The attorneys' rates of \$125-175 are less than  
15 what we normally bill other clients because of the unique circumstances of this case  
16 and in an effort to minimize expenses to a corporation performing a public service.  
17 The hours spent to perform the tasks assigned to the Law Office of Richard T.  
18 Miller were necessary to complete those tasks in a professional manner on a timely  
19 basis.

20 The invoices submitted by my office include a description of services  
21 performed and time expended on each activity. The invoices from August 2015 to  
22 March 2015 are attached to my testimony as NSSWSC Exhibit RTM-2.

1 The current amount of \$3,056.95 is reasonable given the complexity of this case.

2 The legal expenses will be supplemented at the hearing on the merits. NSSWSC

3 Exhibit RTM-2 represents a true and accurate copy of my firm's invoices as I have

4           described.

5 [NSSWSC OFFERS EXHIBIT RTM-2 – Legal invoices]

6 **Q. How does NSSWSC intend to recover its rate case expenses?**

7     A.     Rate case expenses are non-recurring expenses and are generally recovered through  
8     a surcharge on customers' bills.

9 Water utilities are permitted to recover their reasonable expenses, including  
10 rate case expenses, from their customers. Therefore, I recommend that NSSWSC  
11 be permitted to recover through a surcharge its reasonable legal expenses.

12

IV. CONSLUSION

13 **Q. Does this conclude your testimony at this time?**

14     A.     Yes, it does. I reserve the right to make corrections, revisions, or deletions at the  
15     time of hearing.

## **EXHIBIT RTM-1**

### **RESUME OF RICHARD T. MILLER**

- 1967            Graduated from San Saba High School
- 1971            Graduated from Texas A&M University with a BBA degree in Finance
- 1974            Graduated from Baylor University School of Law with a Juris Doctor degree
- 1974            Licensed to practice law in the State of Texas
- 1974 - 1981    Practiced law in San Saba, Texas with the firm of Senterfitt, Adams, Miller & Childress
- 1981 - 1985    Practiced law in Houston and San Antonio with Shanks and Butler and Shanks, Butler & Miller, P.C.
- 1988 - 1995    Practiced law across the State of Texas with the firm of Miller & Davis, P.C., later Miller, Davis & Oppen, P.C.
- 1995 - 2005    Practiced law as a sole practitioner in San Saba, Texas
- 2005 to 2011   Practiced law as a partner in Miller & Spinks, LLP
- 2011 to present – Practicing law as sole practitioner in San Saba, Texas

Professional Activities: Chair of State Bar of Texas Board of Directors 2000 - 2001; Member SBOT Board of Directors 1998 - 2002; formerly board certified in Residential and Commercial Real Estate Law; former member of the College of the State Bar of Texas; former member Unauthorized Practice of Law Subcommittee; former Chair of the District 15-B Grievance Committee; SBOT Presidential Citation 2001; Fellow, Texas Bar Foundation

Mr. Miller has handled a wide variety of civil litigation on both sides of the docket, including litigation in the following areas: commercial, consumer, personal injury, real estate, probate, torts and contracts. In addition, he has experience in appellate matters and criminal cases as well as conducting an office practice, dealing with real estate, estate planning, contractual matters and matters commonly handled by a general practitioner.



## EXHIBIT RTM-2

### Law Office of Richard Miller

PO Box 99  
San Saba, TX 76877

### INVOICE

Invoice # 118  
Date: 02/05/2016  
Due On: 03/06/2016

North SS Water Supply  
P O. Box 598  
San Saba, TX 76877

#### M-2300.1 Price Rate Change

##### Services

Type	Date	Description	Quantity	Rate	Total
Service	11/04/2015	Research	2.00	\$125.00	\$250.00
Service	12/04/2015	Set up PUC efilg, file notice of service info	0.50	\$125.00	\$62.50
Service	12/04/2015	Conference with Regina M. Morgan, Attorney	0.20	\$175.00	\$35.00
Service	01/19/2016	Research; draft list of issues	1.00	\$125.00	\$125.00
Service	01/20/2016	Conference with Regina M. Morgan, Attorney	0.20	\$175.00	\$35.00
Service	01/21/2016	revise draft of issues, prepare mailings, fax to counsel, ems w/ client, call w/ client	1.50	\$125.00	\$187.50
Service	01/28/2016	call w/ client	0.30	\$125.00	\$37.50
Service	02/01/2016	draft response to RFI	0.50	\$125.00	\$62.50
Service	02/01/2016	Conference with Regina M. Morgan, Attorney	0.20	\$175.00	\$35.00
Service	02/03/2016	scan docs responsive to RFI	1.00	\$125.00	\$125.00
Service	02/04/2016	draft responses to RFI, organize/bates-label docs, research	3.00	\$125.00	\$375.00
Service	02/05/2016	Conference with Regina M. Morgan, Attorney	0.00	\$175.00	\$0.00
Services Subtotal					\$1,330.00

##### Expenses

Type	Date	Description	Quantity	Rate	Total
Expense	12/04/2015	Postage- Certified Mail to Barbra Horn	1.00	\$6.74	\$6.74
Expense	12/04/2015	Postage- Certified Mail No return receipt to PUC	1.00	\$3.45	\$3.45
Expenses Subtotal					\$10.19
Subtotal					\$1,340.19
Total					\$1,340.19

Please make all amounts payable to: Law Office of Richard Miller

## EXHIBIT RTM-2

### Law Office of Richard Miller

PO Box 99  
San Saba, TX 76877

### INVOICE

Invoice # 127  
Date 03/03/2016  
Due On: 04/02/2016

North SS Water Supply  
P.O. Box 598  
San Saba, TX 76877

### M-2300.1 Price Rate Change

#### Services

Type	Date	Description	Quantity	Rate	Total
Service	02/19/2016	Pre-hrg conf call with ALJ, Sam Chang, Barbara Horn, RTM, RMM	0.75	\$125.00	\$93.75
Service	02/19/2016	Pre-hrg conf call	0.75	\$175.00	\$131.25
Services Subtotal					\$225.00

#### Expenses

Type	Date	Description	Quantity	Rate	Total
Expense	08/31/2015	Postage- Certified Mail to OAG	1.00	\$3.94	\$3.94
Expenses Subtotal					\$3.94
Subtotal					\$228.94
Total					\$228.94

Please make all amounts payable to: Law Office of Richard Miller

## EXHIBIT RTM-2

### Law Office of Richard Miller

PO Box 99  
San Saba, TX 76877

### INVOICE

Invoice # 135  
Date: 03/29/2016  
Due On: 04/28/2016

North SS Water Supply  
P O. Box 598  
San Saba, TX 76877

### M-2300.1 Price Rate Change

#### Services

Type	Date	Description	Quantity	Rate	Total
Service	03/16/2016	Draft response to PUC 2nd RFI, scanned/Bates-stamped docs, ems to clients, call w/ client	3.00	\$125.00	\$375.00
Service	03/17/2016	Finalized draft response, scanned/labelled docs, burned discs, prepared mailing	1.00	\$125.00	\$125.00
Service	03/21/2016	Call to TRWA, ems w/ TRWA, research, ems w/ clients, confer with RTM	2.00	\$125.00	\$250.00
Service	03/23/2016	Mtg w/ clients re testimony, review of docs, research	3.00	\$125.00	\$375.00
Service	03/23/2016	RTM Meeting with NSSWSC and RMM	0.50	\$175.00	\$87.50
Service	03/24/2016	Draft form for Broyles testimony, ems to clients	0.50	\$125.00	\$62.50
Service	03/28/2016	call w/ client, ems w/ clients, revision of Whatley draft testimony, review of docs	1.50	\$125.00	\$187.50
Services Subtotal					\$1,462.50

#### Expenses

Type	Date	Description	Quantity	Rate	Total
Expense	03/18/2016	Postage to PUC Jan-March 29, 2016 01-22-16 \$2.30, 02-10-16 \$9.62, 03-17-16 \$6.70, 03-24-16 \$6.70	1.00	\$25.32	\$25.32
Expenses Subtotal					\$25.32
Subtotal					\$1,487.82
Total					\$1,487.82

Please make all amounts payable to Law Office of Richard Miller

STATE OF TEXAS

COUNTY OF SAN SABA

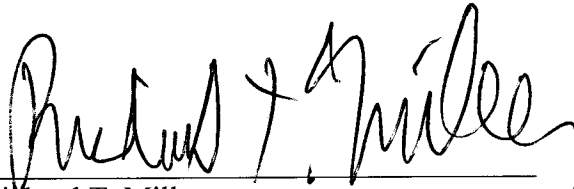
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**AFFIDAVIT OF RICHARD T. MILLER**

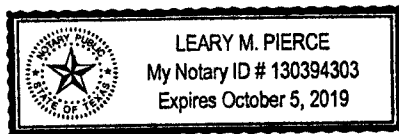
BEFORE ME, the undersigned authority, on this day personally appeared Richard T. Miller, who, having been placed under oath by me, did depose as follows:

1. "My name is Richard T. Miller. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge.
2. The foregoing direct testimony and the attached exhibits have been prepared by me, under my direct supervision, or are co-sponsored by me and are true and correct to the best of my knowledge."

Further affiant sayeth not.

  
Richard T. Miller

SUBSCRIBED AND SWORN TO BEFORE ME by the said Richard T. Miller this 3<sup>rd</sup> day of March 2016.



  
Notary Public, State of Texas