



Control Number: 45283



Item Number: 54

Addendum StartPage: 0

**LAW OFFICE OF RICHARD T. MILLER**

414 E. Wallace Street  
P.O. Box 99  
San Saba, Texas 76877  
325-372-4400 phone 325-372-3645 fax  
Email: [rtmiller@centex.net](mailto:rtmiller@centex.net)

RECEIVED

2016 OCT 13 AM 9:12

PUBLIC UTILITY COMMISSION  
FILING CLERK

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October 12, 2016

**Via Express U.S. Mail**

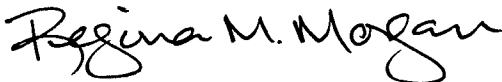
Public Utility Commission of Texas  
Attention: Filing Clerk  
1701 N. Congress Ave, Suite 8-100  
P.O. Box 13326  
Austin, TX 78711-3326

Re: PUC Docket No. 45283; SOAH Docket No. 473-16-1834.WS; *Ratepayers'*  
*Appeal of the Decision by North San Saba Water Supply Corporation to Change*  
*Rates*

Greetings,

Enclosed are one original copy and 13 disc copies of the Supplement to Richard T. Miller's  
Testimony on behalf of the NSSWSC. Please file in the above-referenced matter.

Thanks,



Regina M. Morgan  
[rmmorgan@centex.net](mailto:rmmorgan@centex.net)

Encl.

52

**SOAH DOCKET NO. 473-16-1834.WS  
PUC DOCKET NO. 45283**

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

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**BEFORE THE STATE OFFICE**

**OF**

**ADMINISTRATIVE HEARINGS**

**SUPPLEMENT TO DIRECT TESTIMONY**

**OF**

**RICHARD T. MILLER**

**ON BEHALF OF**

**NORTH SAN SABA WATER SUPPLY CORPORATION**

**October 12, 2016**

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

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

**LIST OF EXHIBITS**

**EXHIBIT RTM-3    Invoices to NSSWSC from Law Office of Richard T. Miller March 2016  
to present**

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

2                           **II.     PURPOSE AND SCOPE**

3   **Q.     What is the purpose of the supplement to your testimony in this proceeding?**

4   A.     The purpose of the supplement to my testimony is to present expert opinion  
5           concerning the reasonableness of the rate case expenses the North San Saba Water  
6           Supply Corporation has incurred in preparing and prosecuting the rate appeal filed  
7           by a portion of its members last year and continuing to this date and to update those  
8           expenses from the time of my original testimony.

9           Reimbursable rate case expenses were incurred by the NSSWSC starting in  
10          or around October 2015 when this rate appeal was filed with the Public Utilities  
11          Commission. NSSWSC is requesting reimbursement of all reasonable rate case  
12          expenses. My testimony supports the reasonableness of the legal and consultant  
13          expenses incurred by NSSWSC regarding this appeal proceeding.

14                           **III.    RECOMMENDATIONS**

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

16   A.     Based upon my review, I recommend that NSSWSC's adopted rates and revenue  
17          requirements be allowed to recover the reasonable and necessary legal and  
18          consultant rate case expenses of \$10,745.26, plus the supplemental amount that will  
19          be provided at hearing, reflecting legal fees incurred after October 11, 2016 and  
20          anticipated fees to conclude the matter after hearing.

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

22   A.     Based on my experience and education and following a thorough and critical review  
23          of all the relevant information, I have concluded that the reasonable and necessary

1 NSSWSC legal expenses from October 2015 through this date in October 2016 are  
2 approximately \$10,745.26. Work is ongoing and additional fees will be incurred  
3 before this case is concluded. I hope to be able to testify orally at the hearing  
4 concerning the additional fees.

5 I have directed the work performed by the Law Office of Richard T. Miller  
6 staff on behalf of NSSWSC since the firm was hired by NSSWSC. I have reviewed  
7 the billings of my office submitted to NSSWSC for legal services from October  
8 2015 through the present in connection with NSSWSC's defense of its rates. I  
9 affirm those billings accurately reflect the time spent and expenditures incurred by  
10 the Law Office of Richard T. Miller and NSSWSC's behalf. My office is actually  
11 representing NSSWSC at a rate that is significantly reduced from my normal rate.  
12 None of the charges billed to NSSWSC have been recovered through  
13 reimbursement for other expenses. The expenses charged were associated with  
14 matters connected with the review of NSSWSC's rate and were necessary to advise  
15 NSSWSC and to accomplish tasks in this rate proceeding.

16 The fees and expenses were necessary and for the legal representation of  
17 NSSWSC. The legal work included advising NSSWSC on strategy, review of  
18 NSSWSC files, preparation of pleadings and other documents, and review and  
19 preparation of evidentiary testimony and exhibits to be submitted for the upcoming  
20 hearing on the merits. These legal expenses were also incurred in preparation of  
21 responses to discovery propounded by other parties in this proceeding.

22 The legal assistant's hourly rate of \$50, upon which part of the billings are,  
23 or will be, based, is the same hourly rate charged other clients for comparable

1 services during the same time frame. The attorneys' rates of \$125 (associate) and  
2 \$175 are less than what we normally bill other clients because of the unique  
3 circumstances of this case and reflect an effort to minimize expenses to a  
4 corporation performing a public service. The hours spent to perform the tasks  
5 assigned to the Law Office of Richard T. Miller were necessary to complete those  
6 tasks in a professional manner on a timely basis.

7 The invoices submitted by my office include a description of services  
8 performed and time expended on each activity. The invoices from July 2016 to  
9 present are attached to my testimony as NSSWSC Exhibit RTM-3.

10 The current and total amount of \$10,745.26 is reasonable given the complexity of  
11 this case. The legal expenses will be supplemented at the hearing on the merits.  
12 NSSWSC Exhibit RTM-2 (previously provided in direct testimony) and Exhibit  
13 RTM-3 (attached here) represent true and accurate copies of my firm's invoices as  
14 I have described.

15 **[NSSWSC OFFERS EXHIBIT RTM-3 – Legal invoices]**

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

17 **A.** Rate case expenses are non-recurring expenses and are generally recovered through  
18 a surcharge on customers' bills.

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

22 **IV. CONSLUSION**

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

1     A.     Yes, it does. I reserve the right to make corrections, revisions, or deletions at the  
2           time of hearing.  
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**EXHIBIT RTM-3****Law Office of Richard Miller**

PO Box 99  
San Saba, TX 76877

**INVOICE**

Invoice # 150  
Date: 07/28/2016  
Due On: 08/27/2016

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

**M-2300.1****PUC Rate Appeal****Services**

Type	Date	Description	Quantity	Rate	Total
Service	03/30/2016	Finalize drafts, ems w/ clients, call w/ WB	0.75	\$125.00	\$93.75
Service	04/05/2016	mtg w/ CH, RW, review docs	0.40	\$125.00	\$50.00
Service	04/11/2016	calls w/ clients, draft responses, scan docs for production	1.50	\$125.00	\$187.50
Service	04/12/2016	calls w/ clients, draft RFI, research	0.50	\$125.00	\$62.50
Service	04/15/2016	review of docs, scan docs, draft resp to RFIs	1.00	\$125.00	\$125.00
Service	04/25/2016	finalize draft of RFI, ems w/ clients, prepare mailing, e-file	1.00	\$125.00	\$125.00
Service	04/29/2016	update file, review filings	0.20	\$125.00	\$25.00
Service	05/02/2016	update files, review filings/testimony, ems w/ clients	0.50	\$125.00	\$62.50
Service	05/05/2016	ems w' clients	0.10	\$125.00	\$12.50
Service	05/06/2016	review of docs/draft rebuttal, draft objections, e-file, prepare mailing	1.50	\$125.00	\$187.50
Service	05/16/2016	mtg w/ RW	0.30	\$125.00	\$37.50
Service	05/17/2016	revise RW draft testimony, organize exhibits	0.75	\$125.00	\$93.75

# EXHIBIT RTM-3

Invoice # 150 - 07/28/2016

Service	05/18/2016	revise rebuttal draft	0.20	\$125.00	\$25.00
Service	05/19/2016	Copies for client RW	0.15	\$50.00	\$7.50
Service	05/20/2016	Copies for client RW	0.15	\$50.00	\$7.50
Service	05/20/2016	revision of rebuttal testimony, mtg w/ client, prepare filings, prepare discs, prepare mailings, e-file	4.00	\$125.00	\$500.00
Service	05/20/2016	Meeting with Roger Whatley	0.50	\$175.00	\$87.50
Service	05/23/2016	review ems from clients, mtg w/ client	0.20	\$125.00	\$25.00
Service	05/25/2016	draft supp to RW's rebuttal testimony, prepare docs, efile, prepare mailings	0.75	\$125.00	\$93.75
Service	05/26/2016	ems w/ clients	0.20	\$125.00	\$25.00
Service	05/31/2016	mtg w/ client	0.20	\$125.00	\$25.00
Service	06/08/2016	revise RW's draft of rebuttal supp, ems w/ client	0.75	\$125.00	\$93.75
Service	06/09/2016	finalize RW's 2nd rebuttal, e-file, prepare for mailing, mtg w/ client, ems w/ client, copy disks for filing	2.50	\$125.00	\$312.50
Service	06/13/2016	Calls w/ PUC, Barbara Horn, Judge Seitzman, client; ems w/ PUC, ems w/ client, mtg w/ client, draft mtn to abate, prepare filings, e-file, prepare mailings	4.00	\$125.00	\$500.00
Service	06/20/2016	revise comments, prepare comments filing	0.50	\$125.00	\$62.50
Service	06/21/2016	ems w/ clients, call w/ mediator, ems w/ mediator, ems w/ PUC	0.40	\$125.00	\$50.00
Service	07/05/2016	draft mediation statement, em to RTM, ems to client, put together mediation ntbk	1.00	\$125.00	\$125.00
Service	07/06/2016	mtg w/ RW re mediation; review docs	0.50	\$125.00	\$62.50
Service	07/06/2016	Mtg w/ client re mediation	1.00	\$175.00	\$175.00
Service	07/08/2016	Travel to/from mediation, attend mediation	10.00	\$175.00	\$1,750.00
Service	07/15/2016	Format RW's 3rd rebuttal testimony, ems w/PUC, call to RTM, call to client	0.50	\$125.00	\$62.50
Service	07/19/2016	ems to PUC	0.10	\$125.00	\$12.50
Service	07/20/2016	ems to PUC	0.10	\$125.00	\$12.50
Services Subtotal					\$5,077.50

## Expenses

Type	Date	Description	Quantity	Rate	Total
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## EXHIBIT RTM-3

Expense	03/31/2016	UPS 4 Packages Next Day to UPS 04-04-16 Invoice# 0000884675156 Paid 04-13-16	1.00	\$112.53	\$112.53
Expense	04/06/2016	UPS 4 Packages Next Day to PUC 04-09-16 Invoice# 0000884675156 Paid 04-13-16	1.00	\$112.08	\$112.08
Expense	04/12/2016	SOS Direct Receipt Batch 66531967 Paid Online	1.00	\$1.03	\$1.03
Expense	04/16/2016	Refund for 03/31/16 4 Packages not delivered Next Day 04-09-16 Invoice# 0000884675156 Paid on 04-13-16 CK# 13382391 issued 05-23-16 for Refund	1.00	-\$110.05	-\$110.05
Expense	04/20/2016	UPS 1 Package Next Day to PUC 04-21-16 Invoice# 0000884675176 Paid 04-25-16	1.00	\$28.02	\$28.02
Expense	04/20/2016	Postage to B. Horn	1.00	\$1.36	\$1.36
Expense	04/25/2016	Postage to PUC & B. Horn	1.00	\$7.85	\$7.85
Expense	05/06/2016	UPS 1 Package Next Day to PUC 05-16-16 Invoice# 0000884675206 Paid 05-19-16	1.00	\$23.48	\$23.48
Expense	05/20/2016	UPS 2 Packages Next Day to PUC 05/28/16 Invoice# 0000884675226 Paid 05-31-16	1.00	\$56.62	\$56.62
Expense	05/25/2016	UPS 1 Package Next Day to PUC 05/28/16 Invoice# 0000884575266 Paid 05-31-16	1.00	\$28.15	\$28.15
Expense	06/09/2016	UPS 1 Package Next Day to PUC 06/09/16	1.00	\$28.29	\$28.29
Expense	06/09/2016	UPS 1 Package Next Day to PUC 06/09/16	1.00	\$28.29	\$28.29
Expense	06/10/2016	Postage to B. Horn	1.00	\$1.36	\$1.36
Expense	06/13/2016	UPS 1 Package Next Day to PUC 06/13/16	1.00	\$28.29	\$28.29
Expense	06/21/2016	UPS 1 Package Next Day to PUC 06/21/16	1.00	\$28.29	\$28.29
Expense	07/08/2016	Mileage to Mediation - 210 mile round trip @ .54 a mile	1.00	\$113.40	\$113.40
Expenses Subtotal					\$488.99
Subtotal					\$5,566.49
Total					\$5,566.49

**EXHIBIT RTM-3****Law Office of Richard Miller**

PO Box 99  
San Saba, TX 76877

**INVOICE**

Invoice # 154  
Date: 10/12/2016  
Due On: 11/11/2016

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

**M-2300.1****PUC Rate Appeal****Services**

Type	Date	Description	Quantity	Rate	Total
Service	08/03/2016	Emails with PUC	0.30	\$175.00	\$52.50
Service	08/04/2016	Mtg w/ client	0.20	\$125.00	\$25.00
Service	08/04/2016	Emails with Client	0.20	\$175.00	\$35.00
Service	08/04/2016	Emails with PUC	0.20	\$175.00	\$35.00
Service	08/05/2016	Mtg w/ client, review of ems, review of docs, ems w/ client	1.00	\$125.00	\$125.00
Service	08/05/2016	Emails with Mediators	0.30	\$175.00	\$52.50
Service	08/05/2016	Emails with Client	0.10	\$175.00	\$17.50
Service	08/08/2016	Emails with PUC, Mediators, Clients	0.30	\$175.00	\$52.50
Service	08/09/2016	Emails with PUC	0.10	\$175.00	\$17.50
Service	08/11/2016	Emails to Mediators	0.20	\$175.00	\$35.00
Service	08/11/2016	Review Emails from Client	0.10	\$175.00	\$17.50
Service	08/15/2016	Call with PUC	0.30	\$175.00	\$52.50
Service	08/15/2016	Emails with Client	0.20	\$175.00	\$35.00

**EXHIBIT RTM-3**

Invoice # 154 - 10/12/2016

Service	08/16/2016	Emails with PUC	0.30	\$175.00	\$52.50
Service	08/16/2016	Review clients docs, revise draft, ems w/ client, call w/ client, consult w/ RTM	0.75	\$125.00	\$93.75
Service	08/17/2016	Emails with Client, PUC	0.20	\$175.00	\$35.00
Service	08/18/2016	call w/ client	0.10	\$125.00	\$12.50
Service	08/19/2016	Emails with PUC	0.10	\$175.00	\$17.50
Service	08/24/2016	Emails with PUC	0.20	\$175.00	\$35.00
Service	08/25/2016	mtg w/ client	0.20	\$125.00	\$25.00
Service	08/29/2016	Review Emails re Hearing	0.20	\$175.00	\$35.00
Service	08/30/2016	Emails with Client	0.30	\$175.00	\$52.50
Service	08/30/2016	call to BH re hrg date	0.10	\$125.00	\$12.50
Service	10/03/2016	Emails to PUC	0.20	\$175.00	\$35.00
Service	10/03/2016	ems to client, ems to PUC	0.20	\$125.00	\$25.00
Service	10/06/2016	Emails with Client, Meeting with Client	0.60	\$175.00	\$105.00
Service	10/06/2016	mtg w/ client, organize rebuttal testimony, ems to client, update file, calls/ w/ client	2.00	\$125.00	\$250.00
Service	10/07/2016	Emails with Client	0.10	\$175.00	\$17.50
Service	10/07/2016	Finalize rebuttal testimony, copy discs, prepare mailing, e-file, ems to PUC	2.00	\$125.00	\$250.00
Service	10/10/2016	Emails with Client	0.10	\$175.00	\$17.50
Service	10/10/2016	Call with TRWA	0.40	\$175.00	\$70.00
Service	10/10/2016	Review Testimony	1.00	\$175.00	\$175.00
Service	10/10/2016	Mtg w/ clients	1.00	\$175.00	\$175.00
Service	10/11/2016	Emails with Client	0.30	\$175.00	\$52.50
<b>Services Subtotal</b>				<b>\$2,096.25</b>	

**Expenses**

Type	Date	Description	Quantity	Rate	Total
Expense	10/07/2016	Express Postage to PUC	1.00	\$22.95	\$22.95
Expense	10/07/2016	Postage to Barbara Horn	1.00	\$2.62	\$2.62
<b>Expenses Subtotal</b>				<b>\$25.57</b>	

**EXHIBIT RTM-3**

Invoice # 154 - 10/12/2016

<b>Subtotal</b>	<b>\$2,121.82</b>
<b>Total</b>	<b>\$2,121.82</b>

**Detailed Statement of Account****Current Invoice**

<b>Invoice Number</b>	<b>Due On</b>	<b>Amount Due</b>	<b>Payments Received</b>	<b>Balance Due</b>
154	11/11/2016	\$2,121.82	\$0.00	\$2,121.82
<b>Outstanding Balance</b>				<b>\$2,121.82</b>
<b>Total Amount Outstanding</b>				<b>\$2,121.82</b>

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

Please replenish our Trust account with the amount listed as Outstanding Balance within 30 days.

STATE OF TEXAS

COUNTY OF SAN SABA

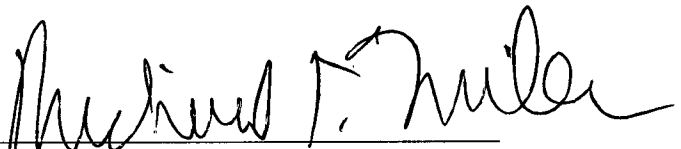
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**AFFIDAVIT OF RICHARD T. MILLER**

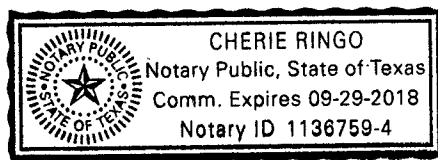
BEFORE ME, the undersigned authority, on this day personally appeared Richard T. Miller, who, having been placed under oath by me, did depose as follows:

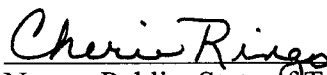
1. "My name is Richard T. Miller. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge.
2. The foregoing supplement to my direct testimony and the attached exhibit have been prepared by me, under my direct supervision, 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 12<sup>th</sup>  
day of October 2016.



  
\_\_\_\_\_  
Notary Public, State of Texas