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

§ **BEFORE THE STATE OFFICE**  
§  
§  
§ **OF**  
§  
§  
§ **ADMINISTRATIVE HEARINGS**

**NORTH SAN SABA WATER SUPPLY CORPORATION'S CORRECTIONS  
TO MISSTATEMENTS IN ITS REPLY BRIEF**

TO THE HONORABLE HOLLY VANDROVEC, ADMINISTRATIVE LAW JUDGE ("ALJ"),  
STATE OFFICE OF ADMINISTRATIVE HEARINGS ("SOAH"):

North San Saba Water Supply Corporation (NSSWSC) became aware of two errors contained in its Reply Brief and files these corrections in order to address said errors. The errors are discussed and corrected as follows:

**I. CORRECTIONS TO REPLY BRIEF**

**A. Correction to Statement regarding Decline in Cash on Hand**

On page 5 of its Reply Brief, NSSWSC stated that the decline in cash on hand was \$15,000 per month from December 2014 through July 2015. That calculation of cash decline is not correct because it failed to account for reserves required by loan agreements.<sup>1</sup> The corrected calculation gives a decline of \$4,133 per month which is consistent with a previously given cash decline of \$4076 per month.<sup>2</sup>

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<sup>1</sup> "As of December 2014, North San Saba WSC had \$220,677 in cash on hand." Staff's Initial Brief, p. 9, citing in footnote 42 to Staff Ex. 1 at Workpapers, Bates No. 71, where is stated the following: "NOTE 2: CASH AND CASH EQUIVALENTS. The Organization defines cash equivalents as all highly liquid debt instruments purchased with a maturity of three months or less plus all certificates of deposit. Cash consists of a non-interest bearing account with a balance at December 31, 2014, of \$138,841, in addition to \$81,836 in interest bearing reserve accounts, \$80,426 of which is restricted as to use. The use of the reserve funds is restricted under the terms of the loan agreements with the USDA and the Texas Water Development Board and is required to be kept in separate accounts from the Organization's operating account."

<sup>2</sup> Whatley Rebuttal to PUC Staff's Direct Testimony, 13:1-8.

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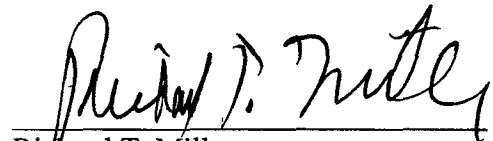
**B. Correction to Statement in Table on Page 2 of NSSWSC's Reply Brief**

In the second table on page 3 of NSSWSC's Reply Brief, NSSWSC stated that it did not know whether Staff's overstatement of projected revenue was due to an arithmetic mistake or inclusion of miscellaneous revenue which had already been deducted from the revenue requirement. NSSWSC now has determined that to be Staff's arithmetic error.<sup>3</sup> Thus, Staff's Projected Revenue without considering price elasticity using NSSWSC's requested rates should have been \$416,879.69 instead of the \$421,528.00 number that Staff cited in its Initial Brief.<sup>4</sup>

**CONCLUSION**

NSSWSC only became aware of these errors recently and felt it was its obligation to point out and correct them. NSSWSC continues to respectfully request all relief requested in its Initial and Reply Briefs previously filed in this matter.

Respectfully submitted,



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<sup>3</sup> See Staff's Initial Br., Attachment A, showing Scaff coded the 4000-8000 gallon block rate as \$5.70 instead of \$5.07.

<sup>4</sup> Staff's Initial Br., p. 4, and Attachment A.


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CERTIFICATE OF SERVICE

I certify that on November 29, 2016 a copy of this document was served upon the following parties of record via e-mail, facsimile, or first class mail:

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