



Control Number: 45447



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DOCKET NO. 45447

APPLICATION OF PONDER § **PUBLIC UTILITY COMMISSION**
ENTERPRISES INC. DBA §
LONGHORN CO. FOR A CLASS C § **OF TEXAS**
RATE ADJUSTMENT §

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND RECOMMENDATION ON FINAL DISPOSITION**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation on Administrative Completeness and Recommendation on Final Disposition. In support thereof, Staff shows the following:

I. BACKGROUND

On December 17, 2015, Ponder Enterprises Inc. dba Longhorn Co. (Ponder) filed an application (Application) for a price index rate adjustment pursuant to Tex. Water Code § 13.1872 (TWC) and 16 Tex. Admin. Code § 24.36 (TAC).

On December 21, 2015, the Administrative Law Judge (ALJ) issued Order No. 1 requiring Staff to file a recommendation on the administrative completeness of the Application and notice on or before January 18, 2016¹. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum of Elizabeth English in the Commission's Water Utility Regulation Division, Staff has reviewed the Application and recommends that it be found administratively complete and accepted for filing pursuant to TWC § 13.1872 and 16 TAC § 24.36.

III. RECOMMENDATION ON FINAL DISPOSITION

Staff conducted a technical review of the Application pursuant to TWC § 13.1872 and 16 TAC § 24.36. Pursuant to TWC § 13.1872 and 16 TAC § 24.36, the Commission may adjust the

¹ Pursuant to 16 TAC § 22.4, January 18, 2016 is a day the commission is not open for business, and therefore the deadline runs until the end of the next day on which the commission is open for business, which is Tuesday January 19, 2016.

rates of a Class C utility without the need for a hearing. Based upon the attached memorandum of Elizabeth English of the Water Utility Regulation Division, Staff recommends approval of the Application for an increase in water rates for Ponder. Approval of the Application would result in the approval of Ponder's proposed rates reflected in the attached memorandum.

Staff notes that the proposed notice Ponder filed as part of its Application lists an effective date of January 18, 2016 for the proposed rate increase. Staff also notes that Staff's Recommendation on Administrative Completeness and Recommendation on Final Disposition is filed on January 19, 2016. Pursuant to 16 TAC § 24.36(e), Ponder must provide notice of the proposed change to customers after it receives a written order by the Commission approving its application. Therefore, Staff recommends the effective date be changed to March 18, 2016 to coincide with an appropriate billing cycle to meet the 30 day notice requirement. Staff represents it has discussed the modification of the effective date with Ponder and Ponder is in agreement.

IV. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for further processing of this docket:

Event	Deadline
Staff submits compliance tariff sheets reflecting the approved rate change	30 days from Order approving the application
Ponder to provide <i>revised</i> ² notice to customers	February 18, 2016

Pursuant to 16 TAC § 24.36(d)(2), Staff shall file, if necessary, proposed tariff sheets reflecting the requested rate change. In order to allow Staff adequate time to update Ponder's tariff, Staff requests an additional 30 days to file compliance tariff sheets that reflect the approved rate change.

V. CONCLUSION

For the reasons stated above, Staff recommends that the Application be deemed administratively complete. Staff further recommends the Application be approved and Ponder be ordered to provide *revised* notice of the proposed change at least 30 days before the effective date

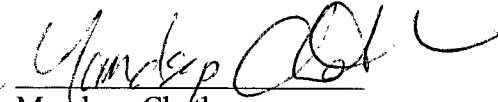
² Ponder's amended notice is attached and reflects the change in effective date.

of the proposed change. Finally, Staff requests an additional 30 days to file compliance tariff sheets reflecting the approved rate change.

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

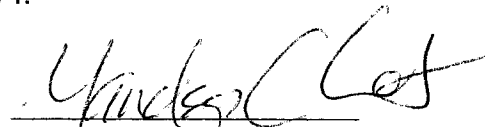
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the January 19, 2016 in accordance with 16 TAC § 22.74.


Mandeep Chatha

PUC Interoffice Memorandum

To: Mandeep Chatha
Legal Division

Thru: Tammy Benter, Director
Debi Loockerman, Manager
Water Utilities Division

From: Elisabeth English, Engineering Specialist
Water Utilities Division

Date: January 19, 2016

Subject: **Docket No. 45447:** *Application of Ponder Enterprises Inc. DBA Longhorn Co. for a Class C Rate Adjustment*

On December 17, 2015, Ponder Enterprises, Inc. d/b/a Longhorn Co. (Applicant) filed an application for a price index rate adjustment pursuant to Tex. Water Code Ann. § 13.1872 (TWC) and 16 Tex. Admin. Code § 24.36 (TAC).

Pursuant to 16 TAC § 24.36(c) a utility may request to increase its tariffed monthly fixed customer or meter charges and monthly gallonage charges. The request must be made on the Commission approved form, including a proposed notice and a copy of the utility's approved tariff. In this case, the Applicant is requesting approval to adjust its water tariff base rate (monthly meter charge) and monthly gallonage rate based upon the current change in Commission price index of 1.57%. The Applicant provided:

- 1) A completed Class C Water or Sewer Utility Request for a Price Index Rate Adjustment;
- 2) A proposal for the provision of notice for the approved price index change; and
- 3) A copy of the relevant pages of the utility's currently approved tariff showing its current monthly fixed meter charges and gallonage rate.

The Applicant has a single tier gallonage rate of \$5.00 per 1000 gallons. The Applicant proposed increasing the rate to \$5.08 per 1000 gallons, which equates to the 1.57% price index adjustment. The following includes the approved and proposed base rate based upon meter size:

Meter size	Approved tariff base rate	Proposed Rate Adjustment
3/4" meter	\$67.50	\$68.56
1" meter	\$112.50	\$114.27
1 1/2" meter	\$225.00	\$228.53
2" meter	\$360.00	\$365.65
3"	\$675.00	\$685.60

The adjusted base rates equate to the 1.57% price index adjustment.

Based upon review of the information submitted with the application, Staff recommends the following:

- a) Approve the application, and adjusted rates, as proposed.
- b) Order the Applicant to provide by mail, or by e-mail if the ratepayer has agreed to receive communications electronically, the approved or modified notice to each ratepayer describing the proposed rate adjustment by February 18, 2016
- c) Order staff to file a compliance tariff within 30 days of the order approving the application.

The Applicant proposed January 18, 2016 as the effective date of the rate increase. However, the notice must be provided at least 30 days before the effective date of the proposed change which is established in the Commission's order. Staff recommends that the effective date be changed to March 18, 2016 to coincide with an appropriate billing cycle to meet the 30 day noticing requirement. Staff's amended notice is attached.

NOTICE OF APPROVED UTILITY PRICE INDEX CHANGE
PURSUANT TO TWC §13.1872

Utility: Ponder Enterprises Inc. d/b/a Longhorn Co.
CCN Number(s): Water/12810

The rates listed on the next page will apply to service received after the effective date listed on the notice below. This rate was requested by the utility and approved by the Public Utility Commission based on a change in the price index. The price index is set by the Commission annually. State law allows the utility to receive an annual rate adjustment, without a hearing, based on the changes in the price index.

The following public water systems, sewer systems, and/or subdivisions will be affected by this rate adjustment:

Double Rock Estates: PWS ID #0610179
Longhorn Meadows Addition: PWS ID #0610217

Effective Date of Proposed Increase: **March 18th, 2016**
(must be at least 30 days from the date the application is approved by the Commission)

The rate adjustment will apply to all service rendered after the effective date and will be reflected on the bill you receive approximately 30 to 45 days after the effective date.

Address: 5772 Tim Donald Road, Justin, TX 76247
Telephone: (940) 648-5263

Percent of Rate Adjustment: **1.57%**
Date Notice delivered: _____
Date of last rate change: January 18th, 2012
Date meters are read: 18th of month

Billing Comparison
Charges based on Gallons (G) per Month (mo.)

Existing 5/8		Proposed 5/8	
5,000 G	\$ 70.00 /mo.	5,000 G	\$ 71.11 /mo.
10,000 G	\$ 95.00 /mo.	10,000 G	\$ 96.51 /mo.
30,000 G	\$ 195.00 /mo.	30,000 G	\$ 198.11 /mo.

CURRENT RATES		PROPOSED RATES	
Monthly base rate including: 0 gallons		Monthly base rate including 0 gallons	
Meter Size: 5/8"		Meter Size: 5/8"	
5/8"	\$45.00	5/8"	\$45.71
3/4"	\$67.50	3/4"	\$68.56
1"	\$112.50	1"	\$114.27
1 1/2"	\$225.00	1 1/2"	\$228.53
Other: 2"	\$360.00	Other: 2"	\$365.65
3"	\$675.00	3"	\$685.60
GALLONAGE CHARGE: \$5.00		GALLONAGE CHARGE: \$5.08	
for each additional 1000 gallons		for each additional 1000 gallons	
(no tiers)		(no tiers)	