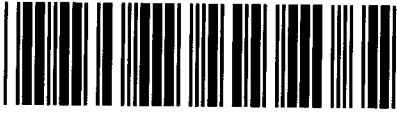


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APPLICATION OF RIO CONCHO  
AVIATION, INC. FOR RATE/TARIFF  
CHANGE

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PUBLIC UTILITY COMMISSION  
PUBLIC UTILITY COMMISSION  
OF TEXAS

**ORDER NO. 2  
DEEMING APPLICATION SUFFICIENT AND  
SUSPENDING RATE/TARIFF EFFECTIVE DATE**

This Order addresses Commission Staff's sufficiency review of Rio Concho Aviation, Inc.'s (Rio Concho) application for a rate/tariff change under certificate of convenience and necessity (CCN) No. 12835. Staff recommends that the application and notice be found administratively complete, the suspension of rates, and referral to the State Office of Administrative Hearings (SOAH) for an evidentiary hearing. Consistent with Commission Staff's recommendation, Rio Concho's application is deemed administratively complete and sufficient.

Commission Staff recommended that the requested rate/tariff increase be suspended from the April 26, 2016 effective date for 265 days until January 16, 2017. Staff deemed suspension necessary due to concerns regarding affiliated transactions and the reasonableness and necessity of some cost of service expenses, the number of customers who have protested, and the applicant's opportunity to request interim rates if needed. Consistent with Commission Staff's recommendation, Rio Concho's rate/tariff change is suspended from the proposed effective date of April 26, 2016 for 265 days until January 16, 2017.

Lastly, Commission Staff recommended referral of this matter to SOAH pursuant to 16 Tex. Admin. Code § 24.28(c)(2). The Commission has already received over 40 protests in this case and Rio Concho serves 240 active connections. Therefore, Staff has determined that greater than ten percent of Rio Concho's ratepayers affected by the proposed rate increase have timely filed protests. For this reason Commission Staff proposes no procedural schedule at this time and requests referral to SOAH on its own motion.

Commission Staff's request for referral to SOAH will be addressed in a separate order.

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SIGNED AT AUSTIN, TEXAS on the 25<sup>th</sup> day of April 2016.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
**IRENE MONTELONGO**  
**DIRECTOR, DOCKET MANAGEMENT**

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