



Control Number: 45720



Item Number: 165

Addendum StartPage: 0

Donna L. Nelson

Chairman

Kenneth W. Anderson, Jr.

Commissioner

Brandy Marty Marquez

Commissioner

Brian H. Lloyd

Executive Director



Greg Abbott

Governor

RECEIVED

Public Utility Commission of Texas 2017 MAY -3 PM 4: 24

PUBLIC UTILITY COMMISSION
FILING CLERK

TO: Central Records

FROM: Carlos Carrasco
Commission Advising & Docket Management

RE: Correspondence related to Docket No. 45720 – *Application of Rio Concho Aviation, Inc. for a Rate/Tariff Change*

DATE: May 3, 2017

The commissioners' offices received the attached correspondence pertaining to the above-styled docket. Commission Advising is filing the correspondence. Parties will not be served copies of the attached document, but can access it through the PUC Interchange at <http://www.puc.state.tx.us/interchange/index.cfm>.

Please note that a member or employee of a state agency assigned to render a decision in a contested case may not directly or indirectly communicate in connection with an issue of fact or law with any state agency, person, party, or representative of those entities, except on notice and opportunity for each party to participate. See Administrative Procedures Act, Tex. Gov't Code Ann. § 2001.061 (West 2008 & Supp. 2015).

cc: All Parties (without attachment)

Q:\CADM\Memos\Exparte\45720 ex parte May3letter.doc



Printed on recycled paper

An Equal Opportunity Employer

1701 N. Congress Avenue PO Box 13326 Austin, TX 78711 512/936-7000 Fax: 512/936-7003 web site: www.puc.texas.gov

165
0000001

Wakeland, Rich

From: Anderson, Kenneth
Sent: Wednesday, May 3, 2017 3:55 PM
To: Journeay, Stephen
Cc: Wakeland, Rich
Subject: FW: Talking Points to the Commission
Attachments: Talking Points to the Commission.pdf

This is an ex parte communication that needs to be filed immediately in the dkt

Commissioner Kenneth W. Anderson, Jr.
Public Utility Commission of Texas
512-936-7005
kenneth.anderson@puc.texas.gov

From: rioconchowater@gmail.com [mailto:rioconchowater@gmail.com]
Sent: Wednesday, May 3, 2017 3:50 PM
To: Nelson, Donna <Donna.Nelson@puc.texas.gov>; Marty Marquez, Brandy <Brandy.MartyMarquez@puc.texas.gov>; Anderson, Kenneth <Kenneth.Anderson@puc.texas.gov>
Subject: Talking Points to the Commission

WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments. NEVER provide your user ID or password.

Dear Commissioners:

The process of shifting private utility oversight to the PUC has created a fiasco in the making for small water utilities such as ours throughout the state. My case is representative of what is wrong with the process and I am reaching out to you, the Commissioner as I now face an insurmountable financial hardship directly attributable to the new rate approval system, which if left without change will force me and other utilities to curtail services and lessen our ability to provide good quality drinking water and protect public safety.

In light of this process, we wish to withdraw our application for the rate increase. I will personally make myself available to you with this due process and assist you with solutions. There are many IOU's out there watching this case. That to reduce the rates to the level suggested by the ALJ's, will directly force me to sell my utility. In doing so, our customers will ultimately pay the price, a much higher water bill.

Thank you for your time,

Barbie Brunson
Rio Concho Aviation, Inc.

Mitzner, Carsi

From: Nelson, Donna
Sent: Wednesday, May 3, 2017 4:06 PM
To: Mitzner, Carsi; Cantu, Lisa
Subject: Fwd: Talking Points to the Commission
Attachments: Talking Points to the Commission.pdf; ATT00001.htm

This needs to be filed. I sent it to Stephen too.

Begin forwarded message:

From: "Nelson, Donna" <Donna.Nelson@puc.texas.gov>
Date: May 3, 2017 at 3:57:46 PM CDT
To: "Journeay, Stephen" <Stephen.Journeay@puc.texas.gov>
Subject: Fwd: Talking Points to the Commission

Begin forwarded message:

From: <rioconchowater@gmail.com>
Date: May 3, 2017 at 3:49:54 PM CDT
To: <donna.nelson@puc.texas.gov>, <brandy.martymarquez@puc.texas.gov>, <kenneth.anderson@puc.texas.gov>
Subject: Talking Points to the Commission

WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments. NEVER provide your user ID or password.

Dear Commissioners:

The process of shifting private utility oversight to the PUC has created a fiasco in the making for small water utilities such as ours throughout the state. My case is representative of what is wrong with the process and I am reaching out to you, the Commissioner as I now face an insurmountable financial hardship directly attributable to the new rate approval system, which if left without change will force me and other utilities to curtail services and lessen our ability to provide good quality drinking water and protect public safety.

In light of this process, we wish to withdraw our application for the rate increase. I will personally make myself available to you with this due process and assist you with solutions. There are many IOU's out there watching this case. That to reduce the rates to the level suggested by the ALJ's, will directly force me to sell my utility. In doing so, our customers will ultimately pay the price, a much higher water bill.

Joyce, Shana

From: rioconchowater@gmail.com
Sent: Wednesday, May 03, 2017 3:50 PM
To: Nelson, Donna; Marty Marquez, Brandy; Anderson, Kenneth
Subject: Talking Points to the Commission
Attachments: Talking Points to the Commission.pdf

WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments. NEVER provide your user ID or password.

Dear Commissioners:

The process of shifting private utility oversight to the PUC has created a fiasco in the making for small water utilities such as ours throughout the state. My case is representative of what is wrong with the process and I am reaching out to you, the Commissioner as I now face an insurmountable financial hardship directly attributable to the new rate approval system, which if left without change will force me and other utilities to curtail services and lessen our ability to provide good quality drinking water and protect public safety.

In light of this process, we wish to withdraw our application for the rate increase. I will personally make myself available to you with this due process and assist you with solutions. There are many IOU's out there watching this case. That to reduce the rates to the level suggested by the ALJ's, will directly force me to sell my utility. In doing so, our customers will ultimately pay the price, a much higher water bill.

Thank you for your time,

Barbie Brunson
Rio Concho Aviation, Inc.

May 1, 2017

Talking Points to the Commission:

As a concerned citizen and owner/operator of an IOU in Fort Worth, Texas, I would like to request oral arguments on key issues regarding our water utility. I am worried with the way in which small water utilities are being handled with the PUC.

Rio Concho Aviation Inc. is an IOU with just under 250 connections, a Class C Water Utility in Fort Worth, Texas that generated an income of approximately \$121, 000 in the year 2015, our test year. I am amazed that we had to spend over \$100,000 to bring up points in this rate case with the PUC. It appears to me there is a level of discrimination directed toward small water utilities. In looking back over the years we have owned and operated our system, I feel almost as if we are experiencing official oppression from the government.

In our case, there was never a differentiation of EMPLOYEE and OWNER of the water utility throughout the entire process. The PUC staff and attorneys present spent considerable time to discredit my level of involvement with the utility and made it sound like we were padding or double dipping our operation expenses. I don't believe they ever understood my sincere intent on saving the utility money by performing most of the operation tasks of our system solely by myself, just shy of operating a backhoe. I am the sole employee of the water utility who manages every aspect of the system from billing, installs, customer service, manager, etc. and has for the last 22 years.

It appears we are being penalized and stripped of many expenses because we own other business entities at Hicks Airfield that in the past have always had to subsidize the water utility. The interveners were painting a picture of us shuffling funds and/or not paying taxes, which is false. I feel the entire hearing process painted a negative picture of Rio Concho Aviation, Inc. Those comments by Steve Grace were defamatory of Rio Concho Aviation, Inc. We have always operated our business with the highest level of integrity and commitment. Our main point

we wanted to get across is that our utility of just under 250 connections, Class C has to perform the same duties and responsibilities as larger water utilities with over 250 connections, Class B. Those managers, operators, book keepers and customer service representatives would normally be offered employee benefits with their job. This is my sole job and if we are held to the same standards as the larger utilities, then why can I not be afforded the same benefits and allowed expenses as they do? Maybe a new application for Class C water utilities needs to be designed instead of making us use the Class B application for larger water utilities and remove items that you think do not apply to Class C systems. In my research of interviewing other operators and management positions of IOU's similar to ours, I learned they do receive many benefits such as health insurance, dental insurance, life insurance, paid vacations, personal days, pension plan and a vehicle that allows a percentage of usually 80% to be expensed. In a settlement in December 2015 with the same above mentioned intervener, the PUC Staff and PUC Attorney, Jessica Morgan went through all of our records and they agreed that 60% of the car expense is allowable. So why the change now and to nearly zero expense? It was even acknowledge by PUC staff member, Debbi Loockerman an office is required within 20 miles of a CCN. The ALJ may be out of touch with the comparison evidence shown at the hearing on office rental in the area of \$500 with utilities included, storage space for a golf cart and a work bench is very reasonable. The other rental locations and amounts on the realtors listing provided at the hearing were much further away from our CCN and higher in monthly price. The adjustment we agreed upon in December 2015 amounted to a lowering of the base charge and gallons charge resulting in a deduction of approximately \$1000 per month. If you review all the expenses the PUC now wants to exclude, one would think we were being run out of business, especially with the comments from the ALJ Judges, approximately \$1700 per month. I ask you how is that beneficial to our water customers if we cannot afford to provide them the level of service required? Unless history is repeating itself and more IOU's will be put out of business again by the PUC. The application for our Class C water utility has to fill out the rate/tariff change for a Class B water utility. I believe there should be another government level within the PUC to handle IOU's in Texas and not co-mingle us with the larger utilities.

At the request of the PUC Staff a couple of years ago, we financially separated the water utility entirely so it may stand on its own. Now that is separated, we are seeing practically every expense being stripped away from our operations. Even with the fact of our utility abiding to the PUC guidelines to construct an office within 20 miles of our CCN, we now learn the PUC wants to disallow the office. I would have never given up that valuable space in our hangar and spent nearly \$14,000 constructing it so we may be in compliance with the PUC. If the PUC does not want to include our water utility office, then why can't they include the vehicle, mileage and gas expense of driving from our corporate headquarters to the water utility? I would also like to add the PUC staff continued to state misinformation regarding two cell phones expenses allowed when there was only the one, which was mine. Kevin's cell phone is displayed on different signage on the airfield and recorded on our voice messaging. If the PUC feels that I do not need a cell phone for customer emergencies, then we question how will they contact us when an emergency arises? Somehow, the PUC staff has me driving a 1995 Ford Dually truck in performing tasks at our utility. We do not own a 1995 Ford Dually truck and tried to express that. Kevin owns and uses a 1999 Ford Dually truck for his cattle business, not Barbie. Besides, it would not be safe, feasible or economical to use such a vehicle for our utility operations.

We have operated our IOU for years now and watched many changes takes place with TCEQ and the PUC over this time. Even from the 1980's when the PUC put many IOU's out of business with restrictions and denied expenses and then back to TCEQ, only to have complaints from customers that they were too lenient with the water utilities. So now it's back to the PUC, we've gone a full circle.

Rio Concho Aviation operates its water system of 243 connections as if it had over 250 connections because at some point it will exceed that number to 300 connections. It's not just some little water system north of Fort Worth with only airplanes and hangars. Our water utility serves a community of people who over the years have established residences there, even though the CCR's state each lot is not intended for residential use and is restricted to 40 gallons of water a day due to the set up of cluster septic systems on the field.

We take the operation of the water utility very seriously. You can go home every day from your job and carry on with your life and then come back the next day with no worries. This water utility employee goes home from a day of work at the airport and worries that the compressor won't fail, a breaker won't be tripped from bad weather, the two pumps in the well house will continue to cycle so as not to burn one pump up, there would not be a problem with the storage tank or pressure tank or a severed water line from the construction of a hangar or a customer digging where they should not be.

This employee doesn't stop at the end of the day. She takes calls after hours many a time from water customers even while she has been on vacation in the past. It's a 24 hour 7 day a week operation and we take offense to the PUC Staff member Debbi Loockerman's comment during a conference call with Kennedy Meier, PUC Attorney, Randal Manus and Barbie Brunson stating that "we see you as more of a part-time water utility operation than a full time operation" and proceeded to tell us "well you're not an Aqua Texas". So if this were the case, does that mean the utility should turn the operations off at 6:00pm and back on the next morning at 6:00am? No, that wouldn't be right.

If our water utility did not receive the level of dedication to its operation daily, it would suffer and experience many problems. If a chlorine line had not been caught one day of its coupling connection failure and the operator is only required to check the system once a week, our customers would be in great danger of potentially receiving non-chlorinated or disinfected water to their residences or hangars. That would not be safe in providing good quality drinking water.

And as for Steve Grace, who continuously claims the Brunson's are doing "very well" to the PUC staff, judges and attorneys has no bearing at all. We work extremely hard at all of our businesses. We have financially separated our water utility as requested by the PUC staff years ago. This intervener, whatever reason, has tried to impede or interfere with Rio Concho's businesses on many levels. His behavior in the past five years exhibit some level of envy against our business operations once by even circulating a petition by him to be able to sell and

dispense aviation fuel on the airfield when it is clearly spelled out in the CCR's and Bylaws there is only one parcel of land on the field dedicated solely for the dispensing and selling of aviation fuel and it belongs to Rio Concho Aviation, Inc.

Or on another issue, that can only be speculated from whom the anonymous phone call to TCEQ came claiming our underground fuel tanks were leaking, which began a full investigation of all our quality control checks and documentation we are required to have. Or the anonymous phone call to TCEQ that our water well is too close to the fuel pump area and the fear of contamination could happen to their water supply. What this person didn't realize was the actual location of our water well. It is more than a few hundred feet across the runway and not in the secured fenced pump house area where this person thought it was located. This too, launched a full investigation of all our records and required two state employees to come out to measure the distance from our well to our fueling area. And about the water monopoly he claims we have, well we've tried to explain to him what a CCN is and apparently he still has not comprehended that issue.

We have invested so much time, energy and money into this entire process to be heard and for the Commission to have a better understanding of our water utility operations and its only one employee's dedication in providing safe quality drinking water to its customers. The reason we did not argue the PUC Staff's issues from the hearing is because the water utility could not afford to spend another \$8,000-10,000 to address it. My attorney advised me we would be throwing good money after bad.

Your decision greatly affects the operation of our water utility and I hope you can see past the slanted accusations and comments from the intervener, PUC Staff and PUC attorneys that took part in the hearing.

Thank you for your time,

Barbie Brunson

Rio Concho Aviation; Inc.

817-233-1058