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Public Utility Commission of Texas

Memorandum

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PUBLIC UTILITY COMMISSION
FILING CLERK

TO: Debi Loockerman, Water Utility Regulation

FROM: Stephen D. Journeay, Commission Advising

DATE: May 4, 2017

SUBJECT: Commission Request for Number Runs Based on May 4, 2017 Open Meeting Discussion Regarding Proposal for Decision in Docket No. 45720, *Application of Rio Concho Aviation, Inc. for a Rate/Tariff Change*

The purpose of this memorandum is to request an additional number run to reflect the decisions of the Commission at the May 4, 2017 open meeting. The additional number run should reflect the recommendations of the State Office of Administrative Hearings administrative law judges (SOAH ALJs) in the proposal for decision (PFD) filed on March 23, 2017, except for the following modifications:

Operations and Maintenance Expense

- Meter Reading Expense – Please increase Rio Concho's meter-reading expense by \$2,785 to include expense associated with its meter reading.
- Transportation Expense – Please remove the ALJs-recommended reduction of \$2,732 in transportation expense. Instead, as advocated by Commission Staff, reduce Rio Concho's transportation expense in the amount of \$1,108.

Administrative and General Expense

- Employee Benefits – Please increase Rio Concho's employee-benefit expense to include all of Rio Concho's requested employee-benefit expenses.
- Office-Rent Expense – Please increase Rio Concho's office-rent expense by \$6,000 to include expense associated with its airfield-office rental.
- Audi Connect Expense – Please increase Rio Concho's Audi Connect expense by \$180 to include expense associated with its use of the Audi Connect service to connect to the internet.

Rate-Case Expenses

- Rate-Case Expenses – If, after the number run, Rio Concho's revenue requirement meets the 51% threshold for recovery of rate-case expense in accordance with 16 TAC § 24.33(b), please remove the ALJs-recommended reduction of \$1,547,50 in rate-case.

expenses associated with John Carlton's invoices regarding his time spent litigating the effective-date issue.