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Public Utility Commission of Texas


Memorandum

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2017 MAY -4 PM 1:45

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*

Based on clarifications the Commission gave at the May 4, 2017 open meeting, please provide two additional number runs. The additional number runs 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 \$2,130 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 provide one number run that increases Rio Concho’s employee-benefit expense to include all of Rio Concho’s requested employee-benefit expenses. Please provide a second number run that solely increases Rio Concho’s employee-benefit expense to include all of Rio Concho’s test-year employee-benefit expenses. All other numbers should remain the same.
- 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.