



Control Number: 45720



Item Number: 172

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**Kenneth W. Anderson, Jr.**  
Commissioner

**Brandy Marty Marquez**  
Commissioner

**Brian H. Lloyd**  
Executive Director



**Greg Abbott**  
Governor

RECEIVED

2017 MAY 22 PM 2:48

PUBLIC UTILITY COMMISSION  
FILING CLERK

*Public Utility Commission of Texas*

TO: Central Records

FROM: Carlos Carrasco *cc*  
Commission Advising & Docket Management

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

DATE: May 22, 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 May22letter.docx

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## **Wakeland, Rich**

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**From:** Anderson, Kenneth  
**Sent:** Monday, May 22, 2017 12:51 PM  
**To:** Wakeland, Rich  
**Cc:** Olney, Carey; Ramirez, Rose  
**Subject:** Fw: Final Ruling for Rio Concho Aviation, Inc.

This needs to be filed ASAP (and does not get a response) as it is ex parte.

Commissioner Kenneth W. Anderson, Jr.  
Public Utility Commission of Texas  
1701 N. Congress Ave., 7th Floor  
P.O. Box 13326  
Austin, TX 78711-3326  
512-936-7005

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**From:** rioconchowater@gmail.com <rioconchowater@gmail.com>  
**Sent:** Monday, May 22, 2017 9:27 AM  
**To:** Marty Marquez, Brandy; Anderson, Kenneth  
**Cc:** kbartexas@aol.com; Randal Manus  
**Subject:** Final Ruling for Rio Concho Aviation, Inc.

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

Dear Commissioners:

I would like to first thank you for taking the time in reviewing our case twice. I can only imagine the number of cases you receive monthly and time dedicated to each one when making such important decisions. Had I been given the opportunity to speak with you all on the May the 4th meeting, I would have expressed some areas that I believe need some attention that as a commissioner, may not see it at your level.

\* Had the PUC Staff been more forthcoming in the beginning with our application, we would have never had to go to this level. It was explained to us from Debbi Lockerman that ours was the first application they had received that was administratively correct and complete. However, the PUC Staff issued a 265 day suspension and referral to SOAH without giving us any explanation. Instead she told us we would have to go to a hearing to find out.

This to me puts the water utility at a great disadvantage immediately. Since she would not tell us which line items they had concerns or questions with, we were forced to hire an attorney and proceed through the formal process. This was not our intention at all and I would hope on future applications especially from small water utilities such as ours, that they would try to prevent the water utility from going down that path incurring such enormous expenses. But instead, take the time to go over the application with the utility.

\* Please create an application for small water utilities, 250 connections or less that is representative of their operation size. If one can not be created, then allow the rate of return as dictated in your Class B Rate/Tariff change application be implemented. Instead, the PUC's Expert, Mr. Novak cut our rate of return nearly in half. I might add, we had to hire an expert attorney to represent our numbers for our size of utility, which seemed to have no effect with the PUC. Even Judge Arnold questioned Mr. Novak's reasoning during our hearing and clearly asked Mr. Novak, "Why did you ding this water utility?"

Also, in the future, if the PUC is going to use an expert witness, research his background and qualifications to confirm he is qualified to testify. When asked by our attorney and then by Judge Arnold if he could give the formula for Debt-to-Equity, a blank stare and silence remained in the court room. I truly felt for Mr. Novak and hoped he could recite it, but to no avail.

Going through the PUC's formal process, has cost our utility the equivalent of a four degree but in one year. If I have learned a couple of things from this experience it would be the following:

1. Just because a utilities expenses have been approved in their previous rate cases doesn't mean the utility will get it on the current rate case. Our example would be my cell phone expense for our water customers and emergencies, the vehicle expense, which in previous cases was allowed at 100% only until our settlement in December 2015 did it get agreed to and approved on at 60% by the PUC Staff. Had we known the PUC Staff was not going to allow those expenses as they had previously, we would have never included nor asked for them in our application. The last approved expense was the emergency service calls and repairs that my husband, Kevin Brunson performed over the years. And lastly, if we would have excluded these previously approved expense, we would have been way over our 51%.

2. If you are an owner and operator for a water utility for 22 years and are always concerned about costs and repairs and saving the utility money, STOP. It seems as though the PUC would rather see higher contracted out expenses. I guess I'm too frugal.

I have taken up enough of your time and there are far too many other items to expand on. If the PUC Staff ever wanted some suggestions or help with their application process as I have mentioned before, we would love to assist them. Please don't allow another small water utility suffer through this process.

Thank you for your time,  
Barbie Brunson  
Rio Concho Aviation, Inc.

**Joyce, Shana**

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**From:** Marty Marquez, Brandy  
**Sent:** Monday, May 22, 2017 10:32 AM  
**To:** Smeltzer, David; Joyce, Shana  
**Subject:** Fwd: Final Ruling for Rio Concho Aviation, Inc.

Do we need to file this? Certainly want to make sure others see this- especially if it helps us improve our process.

Sent from my iPhone

Begin forwarded message:

**From:** <rioconchowater@gmail.com>  
**Date:** May 22, 2017 at 9:27:28 AM CDT  
**To:** <brandy.martymarquez@puc.texas.gov>, <kenneth.anderson@puc.texas.gov>  
**Cc:** <kbartexas@aol.com>, "Randal Manus" <randalm55@yahoo.com>  
**Subject:** Final Ruling for Rio Concho Aviation, Inc.

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