



Control Number: 45720



Item Number: 17

Addendum StartPage: 0

SOAH DOCKET NO. 473-16-3831.WS
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RECEIVED

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

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

2016 APR 28 PM 2:10
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S RESPONSE TO RIO CONCHO'S REQUEST

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff's Response to Rio Concho Aviation, Inc.'s April 26, 2016 Request for the Immediate Implementation of Proposed Rates and would show the following:

I. BACKGROUND

On March 22, 2016, Rio Concho Aviation, Inc. (Rio Concho) filed an application for a rate/tariff change under water Certificate of Convenience and Necessity (CCN) No. 12835 in Tarrant County, Texas pursuant to Tex. Water Code Ann. § 13.1872(c)(2) (TWC), TWC § 13.1871, and 16 Tex. Admin. Code § 24.22 (TAC). On April 21, 2016, Staff timely filed its recommendation that the application be deemed administratively complete, that the effective date of the rates proposed in the application be suspended, and that the matter be referred to the State Office of Administrative Hearings (SOAH).

On April 25, 2016, Order No. 2 was issued, finding the application administratively complete and suspending the effective date of the rates proposed in the application. On April 26, 2016, Rio Concho filed a request that the proposed rates not be suspended and instead go into effect immediately.¹ Pursuant to 16 TAC § 22.78(a), responsive pleadings are due within five working days after receipt of the pleading to which the response is made. Staff received Rio Concho's request on April 26, 2016. Five working days after April 26 is May 3, 2016. This pleading is therefore timely filed.

¹ April 26, 2016 is also the date proposed in the application for the new rates to go into effect. *See* Application at 50 (March 22, 2016).

II. RESPONSE

As detailed in Staff's April 21, 2016 recommendation, Staff recommended suspension of the effective date of the rate increase proposed by Rio Concho due to concerns regarding affiliated transactions and the reasonableness and necessity of some cost of service expenses, due to the large number of protests filed in the docket, due to the fact that Rio Concho's most recent rate change application resulted in a settlement that received final approval less than six months ago,² and due to the ability of Rio Concho to request interim rates pursuant to 16 TAC § 24.29(b) if needed. Staff made its recommendation after careful consideration of the available information, and in light of that information and the mechanisms available for protecting the public interest in this case, Staff continues to recommend that suspension of the effective date of the proposed rate increase is in the public interest. Staff accordingly supports the suspension as ordered in Order No. 2.

III. CONCLUSION

For the reasons discussed above, Staff continues to recommend that suspension of the effective date of the proposed rate increase is in the public interest and therefore supports the suspension as ordered in Order No. 2.

² See *Application of Rio Concho Aviation, Inc. for a Water or Wastewater Rate/Tariff Change*, Docket No. 43728, Order (Dec. 18, 2015).

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director
Legal Division

Katherine Lengieza Gross
Managing Attorney
Legal Division

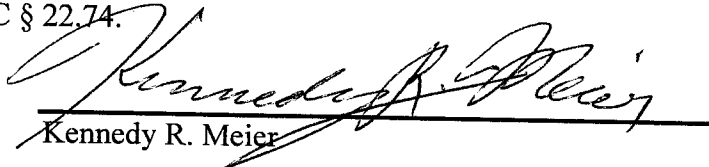


Kennedy R. Meier
Attorney-Legal Division
State Bar No. 24092819
(512) 936-7265
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 28th of April, 2016 in accordance with 16 TAC § 22.74.


Kennedy R. Meier