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**DOCKET NO. 45720**  
**SOAH DOCKET NO. 473-16-3831.WS**

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PUBLIC UTILITY COMMISSION  
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**APPLICATION OF RIO CONCHO  
AVIATION, INC. FOR A  
RATE/TARIFF CHANGE**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**RIO CONCHO AVIATION, INC.'S  
LIST OF ISSUES**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Rio Concho Aviation, Inc. ("Rio Concho") files this List of Issues. This list is not exhaustive, and Rio Concho reserves the right to address additional issues raised by other parties not set forth below.

**I.  
BACKGROUND**

On March 22, 2016, Rio Concho filed an application for a rate/tariff change ("Application"). The Application was referred to the State Office of Administrative Hearings on April 26, 2016, which required Rio Concho to file this List of Issues by May 5, 2016. This List of Issues is timely filed.

**II.  
LIST OF ISSUES**

Rio Concho proposes the following list of issues in this docket if a hearing on the merits is necessary.

1. Who will be granted party status in this docket?
2. Are the rate and tariff changes requested by Rio Concho just and reasonable according to the standards set forth in TEX. WATER CODE, Chapter 13 and P.U.C. SUBST. R., Ch.24?
3. If not, what are the just and reasonable rates for Rio Concho that are sufficient, equitable, and consistent in application to each customer class and that are not unreasonably preferential, prejudicial, or discriminatory as required by Tex. Water Code Ann. § 13.182 (TWC)?

4. Does the proposed revenue requirement give Rio Concho a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses while preserving the financial integrity of the utility? TWC § 13.183(a) and 16 Tex. Admin. Code § 24.32(a) (TAC).
5. If not, what revenue requirement will give Rio Concho a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses while preserving the financial integrity of the utility? TWC § 13.183(a) and 16 Tex. Admin. Code § 24.32(a) (TAC).
6. What revenue requirement components should be considered and what level of cost should be included for each component in order to determine Rio Concho's retail water rates?
7. What is a reasonable rate of return and rate of return on equity for Rio Concho?
8. Is Rio Concho's rate design just and reasonable?
9. What are the reasonable rate case expenses incurred by Rio Concho in this proceeding?
10. How should Rio Concho recover its reasonable rate case expenses from its ratepayers?
11. Are any surcharges appropriate? If so, what total amount of surcharge revenue should Rio Concho collect? And over what time period should Rio Concho collect the surcharge revenue?
12. What is the effective date of the rate/tariff change?

### **III. LIST OF ISSUES THAT SHOULD NOT BE ADDRESSED**

The following issues should not be addressed in this appeal of the retail rates being charged by Rio Concho to its retail customers:

1. Whether Rio Concho's retail rates are similar to other water systems with the State of Texas?

**IV**  
**THRESHOLD LEGAL/POLICY ISSUES WHICH SHOULD BE BRIEFED FOR**  
**PRELIMINARY ORDER**

There are no threshold legal/policy issues which should be briefed for the Preliminary Order.

**V.**  
**CONCLUSION**

Rio Concho requests that an Order be issued consistent with the issues set forth above.

Respectfully submitted,


By:   
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John J. Carlton

John J. Carlton  
The Carlton Law Firm P.L.L.C.  
2705 Bee Cave Road, Suite 200  
Austin, Texas 78746  
(512) 614-0901  
Fax (512) 900-2855  
State Bar No. 03817600

ATTORNEY FOR RIO CONCHO AVIATION,  
INC.

**CERTIFICATE OF SERVICE**

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 5<sup>th</sup> day of May, 2016.

  
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John Carlton