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SOAH DOCKET NO. 473-17-0119.WS
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APPLICATION OF DOUBLE
DIAMOND UTILITY COMPANY,
INC. FOR WATER AND SEWER
RATE/TARIFF CHANGE

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BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S RESPONSE TO MOTION OF WHITE BLUFF RATEPAYERS
GROUP**

Comes Now the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to the White Bluff Ratepayers Group's Motion to Reject Application or Suspend Rates Based on Misrepresentations in the Application (Motion).

I. Background

On November 15, 2016, White Bluff Ratepayers Group (WBRG) filed its Motion, in which WBRG requests that the Administrative Law Judge (ALJ) either reject the application filed by Double Diamond Utility Company, Inc. (DDU) based on material misrepresentations in the application regarding rate base or, in the alternative, suspend DDU's rate change until DDU files a new application correcting the misrepresentations. In specific, WBRG alleges that DDU misrepresented the beginning gross plant balance from the previous rate case because neither the Texas Commission on Environmental Quality nor the Commission established this amount in a previous rate case. WBRG further alleges that DDU grossly under-reported the amount of developer contributions.

II. Staff's Position

It appears that no rate base has ever been approved by the TCEQ or the Commission. Staff is reviewing the amounts listed by DDU with that in mind, but at this time does not take a position regarding what amount should be listed in the application. Without review of DDU's response to the Motion and the ability to conduct more discovery, Staff is unable to make a determination that DDU has failed to properly account for developer contributions and the resulting effect on proposed rates. However, based on the information presented by WBRG in its motion, Staff believes that there may be merit to WBRG's contention that DDU under-reported developer

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contributions in its application. Accordingly, Staff does not oppose the request of WBRG to suspend the effective date of the rate change pursuant to 16 Tex. Admin. Code § 24.26(b)(1).

III. Conclusion

Staff respectfully requests that the ALJ enter an order consistent with the above discussion.

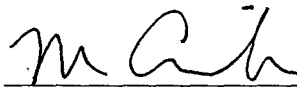
Dated: November 21, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on November 21, 2016, in accordance with 16 TAC § 22.74.


Michael Crnich