



Control Number: 46245



Item Number: 683

Addendum StartPage: 0

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APPLICATION OF DOUBLE
DIAMOND UTILITY COMPANY, INC.
FOR A RATE/TARIFF CHANGE

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PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

BRIEFING ORDER

Double Diamond Utilities Company, Inc. filed an application to increase rates for water and sewer service provided to two of its resort developments, The Cliffs in Palo Pinto County, and White Bluff in Hill County. Double Diamond Utilities filed two rate-filing packages, one for its White Bluff system and one for its system at The Cliffs, each of which includes a rate increase for water and sewer tariffs.

At the May 25, 2018 open meeting, the Commission requested briefing on the differences between customer contributions in aid of construction and developer contributions. Therefore, to develop a statement of Commission policy, precedent, or position on the legal or policy issues relevant to this proceeding, any interested party may file briefs, or replies to briefs already filed, that address the following issues:

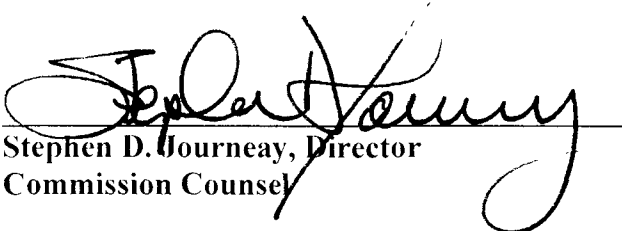
1. What is a developer contribution as that term is used in TWC § 13.183(j)? What is a customer contribution in aid of construction as that term is used in TWC §§ 13.183(b), 13.185(b), and 13.185(j)?
 - a. What factors should be evaluated to determine whether an investment qualifies as developer contributed or customer contributed?
2. How should the fact that Double Diamond, Inc. was both the developer and the utility at White Bluff through 1996 be considered in this analysis?
 - a. How should the Commission consider, if at all, the rationale of the court in *Sunbelt Utilities v. Public Utility Commission* in this analysis?¹

¹ *Petition of Sunbelt Utilities for Authority to Change Rates*, Docket No. 804, 3 P.U.C. Bull. 1167 (Feb. 22, 1978); *Examiner's Report, Petition of Sunbelt Utilities for Authority to Change Rates*, Docket No. 804, 3 P.U.C. Bull. 1167 (Mar. 22, 1978); *Sunbelt Utilities v. Public Utility Commission*, 589 S.W.2d 392 (Tex. 1979).

- b. How should the Commission consider the fact that Double Diamond, Inc. contractually obligated itself through deeds to provide and complete the central water system and central sewer system at White Bluff, while the utility company was listed as the party responsible for maintaining the systems?

Briefs on these issue are due on July 2, 2018 and are limited to 20 pages. Reply briefs are due on July 9, 2018 and are limited to 10 pages. The Commission will consider and possibly address these issues at the July 26, 2018 open meeting.

Signed at Austin, Texas the 30th day of May 2018.


Stephen D. Journey, Director
Commission Counsel