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# OPEN MEETING COVER SHEET

## COMMISSIONER MEMORANDUM

**MEETING DATE:** October 25, 2018

**DATE DELIVERED:** October 24, 2018

**AGENDA ITEM NO.:** 4

**CAPTION:** Docket No. 46245; SOAH Docket No. 473-17-0119.WS - Application of Double Diamond Utility Company, Inc. for Water and Sewer Rate/Tariff Change

**ACTION REQUESTED:** Discussion and possible action with respect to Chairman Walker's memorandum

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**DeAnn T. Walker**  
Chairman

**Arthur C. D'Andrea**  
Commissioner

**Shelly Botkin**  
Commissioner

**John Paul Urban**  
Executive Director



**Greg Abbott**  
Governor

## *Public Utility Commission of Texas*

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TO: Chairman DeAnn T. Walker  
Commissioner Arthur C. D'Andrea  
Commissioner Shelly Botkin

All Parties of Record (*via electronic transmission*)

FROM: Carlos Carrasco *cc*  
Commission Advising

RE: *Application of Double Diamond Utility Company, Inc. for Water and Sewer Rate/Tariff Change*, Docket No. 46245, SOAH Docket No. 473-17-0119.WS, October 25, 2018 Open Meeting, Item No. 4

DATE: October 24, 2018

Please find enclosed a memorandum by Chairman Walker regarding the above-referenced docket. No other commissioner will file a memorandum in this docket.

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# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Commissioner Arthur C. D'Andrea  
Commissioner Shelly Botkin

**FROM:** Chairman DeAnn T. Walker 

**DATE:** October 24, 2018

**RE:** Open Meeting of October 25, 2018 – Agenda Item No. 4  
Docket No. 46245 – *Application of Double Diamond Utility Company, Inc. for Water and Sewer Rate/Tariff Change*

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The Commission's order issued on August 30, 2018 states that Double Diamond Utility shall capitalize all test-year costs for the purchase of replacement grinder pumps for White Bluff sewer.<sup>1</sup> However, the Commission's decision on this issue was not reflected in Commission Staff's number run or in the approved tariff filed for Double Diamond Utility; therefore, the rate base in the approved tariff does not include \$76,409 in grinder-pump replacement costs for the test year.

Motions for rehearing were filed in this docket by the White Bluff Ratepayers Group and Double Diamond Utility Company, Inc. on September 21, 2018 and September 24, 2018, respectively. Before considering the merits of the motions for rehearing, I recommend that the Commission delegate authority to the Office of Policy and Docket Management to instruct the Commission Staff to conduct an additional number run to capitalize the cost of the replacement grinder pumps purchased during the test year. The Commission Staff should also recalculate the rates for White Bluff sewer and revise the tariff for White Bluff sewer to add \$76,409 in grinder-pump replacement costs to the net plant for White Bluff sewer. Once the new rates and tariff are determined in the number running process, the Commission can address the remaining issues raised in the motions for rehearing.

I look forward to discussing this matter with you at the open meeting.

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<sup>1</sup> Final Order at 5 (Aug. 30, 2018).