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Public Utility Commission of Texas

Memorandum

2018 OCT 25 AM 11:53

TO: Debi Loockerman, Water Utility Regulation

FROM: Stephen D. Journeay, Commission Counsel

DATE: October 25, 2018

SUBJECT: Commission Request for Number Runs Based on October 25, 2018 Open Meeting Discussion Regarding Docket No. 46245, *Application of Double Diamond Utility Company, Inc. for a Rate/Tariff Change.*

The purpose of this memorandum is to request a number run to reflect the discussion of the Commission at the October 25, 2018 open meeting. The number run should reflect the decisions described in the Commission's final order, filed on August 30, 2018, along with the following change:

Other Plant Maintenance Expense –The Commission's final order states that Double Diamond Utilities shall capitalize all test-year costs for the purchase of replacement grinder pumps for White Bluff sewer.¹ However, the Commission's decision on this point was not reflected in Commission Staff's first number run nor in Double Diamond Utilities' approved tariff. Therefore, please capitalize the cost of replacement grinder pumps purchased during the test year and add \$76,409 in grinder-pump replacement costs to the net plant for White Bluff sewer. In addition, please recalculate the rates for White Bluff sewer and revise the tariff for White Bluff sewer.

Further, please prepare updated tariffs for Double Diamond Utilities water and sewer systems at White Bluff and The Cliffs and file the tariffs in this docket. There should be a water tariff and a sewer tariff for White Bluff and The Cliffs. Also, prepare a second set of tariffs to be sent to Central Records after the final order is issued to be stamped *Approved* and retained by the Commission in its tariff book.

Please provide us with a response by October 31, 2018. If you need more time, please advise.

In your response, please include the updated schedules along with the Excel worksheets containing the schedules.

¹ Final Order at 5 (Aug. 30, 2018).