

Control Number: 46245



Item Number: 730

Addendum StartPage: 0

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September 16, 2019

Customer Protection Division  
Public Utility Commission of Texas  
P. O. Box 13326  
Austin, TX 78711-3326

Re: Docket # 46245 SOAH Docket # 473-17-0119, Application of Double  
Diamond Utilities Company, Inc. Water and Sewer Rate/Tariff Change

Attn: DeAnn T. Walker, Chairwoman  
Arthur C. D'Andrea  
Shelly Botkin

I tried to email this but apparently that isn't acceptable so I am putting this in the mail. At your Open Meeting on September 12, 2019, Ms. Walker said she thought the approved rate should be "zero" because the applicant had "not met the burden of proof". We could not agree more. Mr. D'Andrea said he wanted to see more numbers and the decision was postponed again. This rate application was filed in August, 2016. The ratepayers deserve a final decision, but now there are other issues and new circumstances that need to be considered.

Double Diamond Utilities has one certificate that covers four utilities in the state of Texas that service Double Diamond resorts. One is here at The Cliffs on Possum Kingdom Lake, one at White Bluffs Resort on Lake Whitney, one at The Retreat in Cleburne, TX and one at Rock Creek on the Texas shore of Lake Texoma.

The owner of Double Diamond Utilities, which is a wholly-owned subsidiary of Double Diamond Delaware, Inc., has signed a contract to sell all the utilities under that certificate to South West Water Company, based in Sugarland, Texas. As soon as the PUC gives a final ruling on that sale, the ownership will change.

As an intervenor in this rate application from the beginning, The Cliffs Utility Committee, with me as Director, wanted the above mentioned PUC committee members to have this information so they can make the right decision for everyone.

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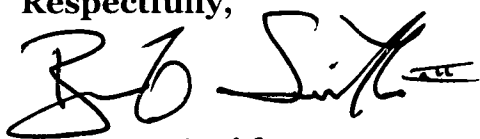


**Our group, unlike the White Bluff's intervenors, did not seek legal counsel. We are only a small 170+ group of homeowners here at The Cliffs. Consequently, while we made some mistakes because of our lack of knowledge about the process, we did the best we could to represent our case in all of the various hearings and dealings. Our arguments were not given the same consideration as the other entities, but be that as it may, it makes no sense for the PUC Committee to approve this rate application. The rate increase is +58%, an outrageous amount, based on conflicting and, in some cases, bogus numbers and testimony provided by Double Diamond. The depreciated assets claimed for their projected and requested return on investment are incorrect, by their own multiple submittals, and are all over the map.**

**Regardless, any rate increase allowed by the PUC will NOT go to the benefit of Double Diamond Utilities, because they are selling the utility to South West Water Company. SW Water will have a totally different financial dynamic and any need for a rate increase should be submitted after that sale is final, if at all, and justified using their new financial statements.**

**The only logical and fair decision for the PUC Committee to make is to deny Double Diamond's rate application at this time and put this three-year-old case to rest. I am imploring the three of you to do the right thing.**

**Respectfully,**

A handwritten signature in black ink, appearing to read "Byrom J. Smith, III". The signature is stylized and cursive.

**Byrom J. Smith, III  
Director, intervenor, homeowner and ratepayer  
The Cliffs Utility Committee**

