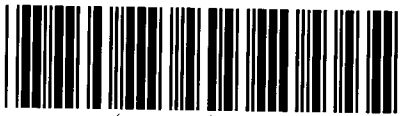


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SOAH DOCKET NO. 473-17-2285.WS

DOCKET NO. 46333

**APPLICATION OF PK-RE
DEVELOPMENT COMPANY, INC.
DBA GREENSHORES UTILITY
SERVICES AND DBA OAK SHORES
WATER SYSTEM FOR AUTHORITY
TO CHANGE RATES AND TARIFFS
IN TRAVIS COUNTY**

BEFORE THE STATE OFFICE

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OF

**PUBLIC UTILITY COMMISSION
FILING CLERK**

ADMINISTRATIVE HEARINGS

**RESPONSE OF ALEXANDER B. WILLIAMS, RESIDENT
IN WOODS OF GREENSHORES AND INTERVENOR, TO
PK-RE'S APPLICATION FOR INTERIM RATES**

I. BACKGROUND

On October 12, 2016 PK-RE filed with the Public Utilities Commission of Texas ("Commission") A Class B application for a rate/tariff change under Water Certificate of Convenience and Necessity ("CCN") No. 12407 and Sewer CCN No. 20948 in Travis County Texas.

In its initial filing, PK-RE asked that rates be made effective 60 days after the filing with the Commission. On November 16, 2016, Order No. 2 deemed the filing administratively incomplete and suspended the effective dates. Order No. 2 required PK-Re to cure deficiencies in its notice and file an affidavit attesting to the re-noticing of customers by December 16, 2016. On December 16, 2016 PK-RE filed an affidavit attesting to re-noticing its customers. On January 18, 2017, Order No. 5 deemed the filing administratively complete and sufficient for filing.

The application was referred to the State Office of Administrative Hearings ("SOAH") on January 24, 2017. SOAH Order No. 1, dated February 14, 2017, found the application was deemed filed on January 18th, 2017, and determined that the rates would become effective 60 days after the filing date without further action, or March 19, 2017. However, citing the commission's finding in Order No. 5 that cause existed to suspend the effective date of the rates by 265 days under Texas Water Code 13.1871(g), the SOAH Administrative Law Judge ("ALJ") likewise found that a 265-day suspension is appropriate. The ALJ suspended the effective dates for 265 days from March 19, 2017, which is December 9, 2017.

II. REASONS TO DENY INTERIM RATES

PK-RE has presented an alleged financial need for interim rates based on economic hardship, but neglected to note that much of that hardship has been self-inflicted. PK-RE states that \$2.2 million was borrowed to fund capital improvements, yet for the past 4 years has chosen to use pump and haul operations to truck raw sewage from the Woods of Greenshores ("WoG") neighborhood to PK-RE's existing sewage treatment plant because the force main line required to connect WoG to the sewage treatment plant was never installed as it should have been according to City of Austin Permit 2015-085950C, Case Number C8J-2015-0156. The costs to provide wastewater service to WoG via pump and haul have steadily risen and per PK-RE unaudited financials, were close to \$650,000 since 2013.

In addition to the self-inflicted economic hardship due to PK-RE's expenses for pump and haul of sewage to the customers that should have had a force main to PK-RE's own sewage treatment plant, PK-RE's decisions have had other implications for its customers. Water customers in all neighborhoods have been subjected to water shortages during hot weather, in addition to boil water notices and notices of chemical constituents that exceeded drinking water standards. Equally, disturbing is the fact that for most of the past 2-3 years the utility has been losing significant amounts of water through its distribution system, with several months reporting 40% lost and December of last year exceeding 45%. The state average for utilities is between 10 and 15% lost. These facts are not consistent with a utility investing over \$2 million in improvements or even maintenance.

The customers of Greenshores Utility already pay significantly higher rates than the City of Austin, and those rates should have provided sufficient funds to maintain the existing facilities, yet the issues with the system have still occurred. If the \$2 million borrowed for capital improvements were applied to the utility, it would not be in its current state of disrepair. The request for increased interim rates represents an attempt to charge rate-paying customers for items they've already paid for once.

III. PRAYER

I respectfully request that the Commission's original finding in Order No. 5 that cause existed to suspend the effective date of the rates increase for 265 days remain in force and that the first available date for the rates increase remain December 9, 2017.

Respectfully submitted,

Alexander B. Williams
Resident, Woods of Greenshores
Intervenor and Party to Rate Case
2516 Arion Circle
Austin, Texas, 78730
(310) 200-1682

Certificate of Service

I certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, electronic mail or US Mail to all parties on this 23rd day of March, 2017.



Alexander B. Williams