



Control Number: 46333



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DOCKET NO. 46333

RECEIVED

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 §

PUBLIC UTILITY COMMISSION 9:55  
2016 NOV 14  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION THAT APPLICATION AND NOTICE  
BE FOUND ADMINISTRATIVELY INCOMPLETE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation. In support thereof, Staff would show the following:

**I. Background**

On October 12, 2016, PK-RE Development Company, Inc. d/b/a Greenshores Utility Services and d/b/a Oak Shores Water System (PK-RE) filed an application to change rates and tariffs in Travis County. On October 17, 2016, Order No. 1 was issued requiring Staff to file comments on the administrative completeness of the application and notice by November 14, 2016. Accordingly, this pleading is timely filed.

**II. Staff's Recommendation**

Staff has reviewed PK-RE's application and notice and, as supported by the attached memorandum from Emily Sears, Financial Analyst and Ricky Herrera, Engineering Specialist with the Water Utility Regulation Division, Staff recommends that the application and notice are administratively incomplete. Specifically, the notices for Phase I provided to all affected customers are incorrect, as the 5,000 gallon Phase I sewer comparison should be 188.12, not 189.12. The notices for Phase II incorrectly use the current rates for a comparison. The comparison should include the Phase I rates compared to the Phase II rates. The notices for Phase III are incorrect, as the comparisons use the same rates as Phase II. The comparison also

incorrectly uses the current rates for comparison. The notice should compare Phase II to Phase III rates.

Based on its review, Staff recommends:

1. The rate/tariff change application be found insufficient for filing;
2. The effective date for the new rates be suspended;
3. The Applicant be required to provide the Commission with corrected notices and an affidavit of re-notice to the customers by December 16, 2016; and
4. Staff file supplemental comments on the administrative completeness of the application and notice by January 13, 2017.

### **III. Conclusion**

Staff respectfully requests that an order be issued consistent with this Recommendation.


**Dated: November 14, 2016**

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director


Karen S. Hubbard  
Managing Attorney

  
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**DOCKET NO. 46333**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on November 14, 2016, in accordance with 16 TAC § 22.74.

  
\_\_\_\_\_  
Ralph J. Daigneault

# **Public Utility Commission of Texas**

## **Interoffice Memorandum**

**TO:** Ralph Daigneault, Attorney  
Legal Division

**THRU:** Tammy Benter, Director  
Debi Loockerman, Manager  
Water Utility Regulation

**FROM:** Emily Sears, Financial Analyst  
Ricky Herrera, Engineering Specialist  
Water Utility Regulation

**DATE:** November 4, 2016

**SUBJECT:** **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***

On October 17, 2016, PK-RE Development Company, Inc. dba Greenshores Utility Services and dba Oak Shores Water System (PK-RE or Applicant), Certificate of Convenience and Necessity (CCN) Nos. 12407 (water) and 20948 (sewer), filed an application with the Public Utility Commission of Texas (Commission) for a water and sewer rate/tariff change for Oak Shores, Oak Shores on Lake Austin, Briarpatch, Smokey Ridge Annex & three tracks thereof, Pearce Anx., Skishores Restaurant & Marina, Greenshores & Pearce Road Area, Woods of Greenshores Subdivision, and Greenshores on Lake Austin. An administrative review of the application is now being made pursuant to Tex. Water Code Ann. § 13.1871 (TWC) and 16 Tex. Admin. Code §§ 24.21 through 24.26 (TAC). Staff has completed the review with regard to sufficiency.

PK-RE currently provides retail water utility service with one public water system. This applications affects approximately 223 connections. The notices for Phase I provided to all affected customers are incorrect, as the 5,000 gallon Phase I sewer comparison should be 188.12, not 189.12. The notices for Phase II incorrectly use the current rates for a comparison. The comparison should include the Phase I rates compared to the Phase II rates. The notices for Phase III are incorrect, as the comparisons use the same rates as Phase II. The comparison also incorrectly uses the current rates for comparison. The notice should compare Phase II to Phase III rates.

PK-RE's most recent water rate increase was settled on September 19, 2012. The previously approved water rate includes a base rate of \$40.00 for 5/8" meters, \$60.00 for 3/4" meters, \$100 for 1" meters, \$200 for 1-1/2" meters, \$320 for 2" meters, and \$600 for 3" meters, and a gallonage

charge of \$5.00 per 1,000 gallons for 0-10,000 gallons, \$8.00 per 1,000 gallons for 10,001-25,000 gallons, \$12.00 per 1,000 gallons for 25,001-50,000 gallons, and \$14.00 per 1,000 gallons for 50,001+ gallons.

PK-RE'S most recent sewer rate increase was settled on September 19, 2012. The previously approved sewer rate includes a base rate of \$70.00 for 5/8" meters, \$105.00 for 3/4" meters, \$175.00 for 1" meters, \$350.00 for 1-1/2" meters, \$560.00 for 2" meters, and \$1,050.00 for 3" meters, and a gallonage charge of \$12.00 per 1,000 gallons for all gallons.

Based on the review, Staff recommends that:

1. The rate/tariff change application be found insufficient for filing; and,
2. The Applicant be required to provide corrected notices and an affidavit of re-notice to the customers.