

Control Number: 46395



Item Number: 12

Addendum StartPage: 0


DeAnn T. Walker
Chairman
Arthur C. D'Andrea
Commissioner
Shelly Botkin
Commissioner
Thomas J. Gleeson
Executive Director



Greg Abbott
Governor

Public Utility Commission of Texas

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

All Parties of Record


FROM: Hunter Burkhalter
Chief Administrative Law Judge

RE: **Notice of Non-Compliance**
Docket No. 46395 – *Compliance Reports for Final Order in Docket No. 42860 (Application of Douglas Utility Company to Change Water and Sewer Rates/Tariff in Harris County, Texas)*

DATE: February 18, 2021

The purpose of this memo is to report on the status of Douglas Utility Company's compliance with the Commission's directives and seek guidance on how to proceed with this compliance docket.

This docket was created to monitor and ensure Douglas Utility's compliance with the final Order issued in Docket No. 42860.¹ That Order directed Douglas Utility Company to make certain refunds over a 12-month period, and collect certain surcharges over a 24-month period. Under the terms of the Order, Douglas Utility was required to:

- make the required refunds by October 7, 2017;
- file a compliance report in this docket (Docket No. 46395) within 30 days of making the refunds (Compliance Report No. 1);
- collect the required surcharges by October 7, 2018; and
- file a compliance report in this docket within 30 days of collecting the surcharges (Compliance Report No. 2).

On April 6, 2018, Douglas Utility filed Compliance Report No. 1. Although the report was filed late, it demonstrated that Douglas Utility had timely refunded the amounts as required by the final Order in Docket No. 42860.

¹ *Application of Douglas Utility Company to Change Water and Sewer Rate/Tariff in Harris County, Texas, Docket No. 42860, Order (Oct. 7, 2016).*

In Order No. 1 filed on March 26, 2019, I directed, among other things, that Douglas Utility file Compliance Report No. 2 by April 9, 2019.

On April 9, 2019, Douglas Utility reported that it had not yet collected the surcharges as required by the Order in Docket No. 42860, but that it would commence doing so.

In Order No. 3 issued on April 26, 2019, I found Douglas Utility's April 9, 2019 filing to be deficient in a number of respects and that the company had failed to comply with the obligations imposed on it by the final Order in Docket No. 42860. I ordered a number of itemized steps to be taken by Douglas Utility to begin, and carry through with, its obligation to collect the required surcharges. To date, Douglas Utility has not responded to Order No. 3.

On June 28, 2019, Commission Staff reported that it has attempted to contact Douglas Utility numerous times to assist the utility in coming into compliance, but has been unsuccessful.

On September 16, 2020, Commission Staff again reported that it has attempted to contact Douglas Utility numerous times, but the Commission's contact information for the utility is either incorrect or forwards to TNG Utility. Commission Staff suspects that TNG Utility may be operating and maintaining the Douglas Utility water system.

In short, roughly four-and-a-half years after the Order in Docket No. 42860 was issued, Douglas Utility remains out of compliance with an ordering provision of the Commission and the utility does not appear to be committed to coming into compliance.

I believe it is appropriate to make you aware of Douglas Utility's compliance status and seek your guidance as to the next steps, if any, to be taken with regard to the utility.