



## **Filing Receipt**

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**DOCKET NO. 46395**

<b>COMPLIANCE REPORTS FOR FINAL</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ORDER IN DOCKET NO. 42860</b>	<b>§</b>	
<b>(APPLICATION OF DOUGLAS UTILITY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>COMPANY TO CHANGE WATER AND</b>	<b>§</b>	
<b>SEWER RATE/TARIFF IN HARRIS</b>	<b>§</b>	
<b>COUNTY, TEXAS)</b>	<b>§</b>	

**COMMISSION STAFF’S RECOMMENDATION ON COMPLIANCE**

On April 9, 2019, Douglas Utility Company (Douglas Utility) filed a second compliance report regarding surcharges in accordance with the Final Order in Docket No. 42860.<sup>1</sup> On April 26, 2019, the administrative law judge (ALJ) filed Order No. 3, finding that Douglas Utility failed to comply with the surcharge requirements. On December 15, 2023 and February 19, 2024, Douglas Utility filed additional compliance filings waiving any uncollected part of the surcharge and requesting that this compliance docket be closed.

On March 6, 2024, the ALJ filed Order No. 4, establishing a deadline of March 20, 2024 for the (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of Douglas Utility’s compliance filing. Therefore, this pleading is timely filed.

**I. COMPLIANCE RECOMMENDATION**

Staff has reviewed Douglas Utility’s recent compliance filings and recommends that they are sufficient for the purpose of closing this compliance docket. Specifically, based on the extenuating circumstances described by Douglas Utility, as well as Douglas Utility’s waiver of any uncollected part of the surcharge, there is good cause for Douglas Utility’s failure to comply with the surcharge requirements. Staff also notes that the Commission has approved CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) to proceed on a transaction to acquire all the water and sewer facilities and service areas held under Douglas Utility’s certificates of convenience and necessity, and CSWR-Texas and Douglas Utility have closed on that transaction.<sup>2</sup>

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

<sup>2</sup> *Application of CSWR-Texas Utility Operating Company, LLC and Douglas Utility Company C/O Ziehen Group for Sale Transfer, or Merger of Certificate Rights in Harris County*, Docket No. 54285, Order No. 6 Approving Sale and Transfer to Proceed (Apr. 13, 2023) and Notice of Completed Transaction (Oct. 17, 2023).

Further, as evidenced by the tariff pages attached to the supplemental joint motion to admit to admit evidence and proposed notice of approval filed in Docket No. 54285, CSWR-Texas has not included any surcharge for any uncollected part of the surcharge.<sup>3</sup> Accordingly, Staff recommends that there is no reason for further compliance with the surcharge requirements and that the docket be closed.

## II. CONCLUSION

For the reasons detailed above, Staff recommends that this compliance docket be closed.

Dated: March 20, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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<sup>3</sup> Docket No. 54285, Supplemental Joint Motion to Admit Evidence and Proposed Notice of Approval at Attached Water and Sewer Tariff Pages (Mar. 1, 2024).

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**CERTIFICATE OF SERVICE**

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on March 20, 2024 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles  
Scott Miles