



Control Number: 46436



Item Number: 11

Addendum StartPage: 0

PETITION OF MANAGEMENT &
TRAINING CORPORATION FOR
REVIEW OF THE DECISION BY
THE CITY OF OVERTON TO
CHANGE RETAIL WATER AND
SEWER RATES (BILLY MOORE
CORRECTIONAL CENTER)

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PUBLIC UTILITY COMMISSION

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PUBLIC UTILITY COMMISSION
OF TEXAS
ING CLERK

**MANAGEMENT & TRAINING CORPORATION'S UPDATE ON SETTLEMENT-
DISCUSSIONS AND REQUEST FOR AN EXTENSION OF TIME**

COMES NOW, Management & Training Corporation ("MTC") and files this Update on Settlement Discussions and Request for an Extension of Time ("Update") in accordance with the Public Utility Commission of Texas' Administrative Law Judge's Order No. 2, and in support of the same would show as follows:

I. Background

October 12, 2016, MTC filed a petition with the Public Utility Commission of Texas ("Commission") appealing the City of Overton's ("City") water and sewer rate increase for the Billy Moore Correctional Center ("Prison") and requesting the Commission review the City's newly adopted water and sewer rates ("Petition"). MTC contracts with the Texas Department of Criminal Justice to operate the Prison.

On October 14, 2016, the Commission Administrative Law Judge issued Order No. 1, requiring the following to occur on or before November 14, 2016: (a) Commission Staff file comments on the administrative completeness of the Petition, how the Petition should be processed, and propose a procedural schedule for the Petition; (b) MTC file comments on how the Petition should be processed and propose a procedural schedule for the Petition. On November 14, 2016, Commission Staff recommended the Petition be deemed administratively complete and requested an opportunity to file a status update, which might include a procedural schedule, within

45 days due to MTC and the City's settlement discussions. MTC also filed its Comments and Proposed Procedural Schedule on November 14, 2016, wherein it requested the Commission Administrative Law Judge hold the Petition administratively complete and provide an additional time extension so that the City and MTC could further engage in discussions with the intent of reaching a compromise. MTC also stated that if the City and MTC were unable to reach a solution by December 29, 2016, MTC would notify the Commission with a proposed hearing schedule.

On November 17, 2016, Commission Administrative Law Judge declared the Petition administratively complete and ordered MTC to file an update on settlement discussions by January 5, 2017. Therefore, this Update on Settlement Discussion and Request for an Extension of time is timely filed.

II. UPDATE ON SETTLEMENT DISCUSSIONS AND REQUEST FOR AN EXTENSION OF TIME

The City and MTC collectively began analyzing and discussing the Prison's newly approved rates, with the intention of reaching a compromise and resolving the issues raised in MTC's Petition, on approximately November 1, 2016. As part of these discussions, MTC requested the City produce documents related to the City's provision of water and wastewater service to the Prison. MTC's request specifically inquired about documents concerning the City's bond issuances as related to the funding of water and wastewater infrastructure, studies or reports regarding the City's cost of service, and any studies or documents regarding the Prison's financial impact to the City. The City responded with a packet of information that included data and material regarding the City's bond issuances, calculations and comparison charts, and concluded with a method by which the City could reduce the Prison's water and wastewater rates.

The City and MTC representatives have been negotiating a possible settlement and have reached an agreement in principle. As part of the agreement, the City and MTC anticipate that the

City and MTC would enter into a contract reflecting the terms and conditions for service to the Prison including adjusted rates and other necessary contractual terms. The parties both agree that this written agreement shall also resolve the Commission's pending case regarding this matter.

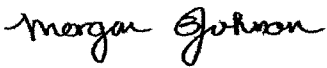
Pursuant to 16 TAC § 22.4(b), the time for filing any documents may be extended upon the showing of good cause and that the extension is not requested because of neglect, indifference, or lack of diligence. Due to the City's comprehensive review of its records and documents related to the Prison's water and wastewater service and the specificity needed for a written agreement between the City and MTC, MTC and the City require additional time to finalize the details of the written agreement and the newly revised water and wastewater rate. Therefore, MTC requests that the Commission Administrative Law Judge find good cause to provide MTC an additional 60 days before a proposed procedural schedule is issued and the matter is potentially referred to the State Office of Administrative Hearing so that MTC and the City can finalize the written agreement and resolve MTC's appeal.

III. CONCLUSION

For the reasons stated above, MTC respectfully requests the entry of an order extending MTC and the City of Overton's deadline to resolve MTC's appeal of the Prison's water and wastewater rates.

Respectfully submitted,

MCGINNIS LOCHRIDGE


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CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of January, 2017, a true and correct copy of the foregoing Management & Training Corporation's Update on Settlement Discussions and Request for an Extension of Time was sent by certified mail, return receipt requested and electronic mail to counsel of record at the following address:

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