



Control Number: 46436



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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
2016 NOV 14 PM 2: 53
PUBLIC UTILITY COMMISSION
OF TEXAS FILING CLERK

**MANAGEMENT & TRAINING CORPORATION'S COMMENTS AND
PROPOSED PROCEDURAL SCHEDULE**

COMES NOW, Management & Training Corporation ("MTC") and files these Comments and Proposed Procedural Schedule in accordance with Public Utility Commission of Texas' Order No. 1, and in support of the same would show as follows:

SUFFICIENCY OF PETITION

The Public Utility Commission of Texas' ("Commission") Substantive Rule 24.41 (16 TEX. ADMIN. CODE § 24.41) and TEX. WATER CODE § 13.043(b) govern the appeal of municipal utility rates by ratepayers that reside outside the corporate city limits of that municipal utility. The required contents for petitions filed pursuant to these provisions is addressed in 16 TEX. ADMIN. CODE § 24.42. In relevant part, 16 TEX. ADMIN. CODE § 24.42 requires that a petition appealing a municipal utility's rate contain the following:

- (1) a clear and concise statement that the petition is an appeal of a specific rate action of the water or sewer service supplier in question as well as a concise description and date of that rate action;
- (2) the name, telephone number, and street or rural route address (post office box numbers are not sufficient) of each signatory ratepayer. The petition shall list the address of the location where service is received if it differs from the residential address of the signatory ratepayer;
- (3) the effective date of the decision being appealed;
- (4) the basis of the request for review of rates; and
- (5) any other information the commission may require.

16 TEX. ADMIN CODE § 24.42(a).

On October 12, 2016, MTC, on behalf of the Billy Moore Correctional Center (“**Prison**”), filed a petition with the Commission pursuant to TEX. WATER CODE § 13.043(b) and 16 TEX. ADMIN. CODE § 22.41 that satisfies the requirements of 16 TEX. ADMIN. CODE § 24.42(a) (the “**Petition**”). The Petition appeals the City of Overton’s (“**City**”) newly adopted water and sewer rates for the Prison and requests the Commission review the City’s rates to determine if they are just and reasonable. See Petition, page 2. The Petition provides that on July 14, 2016, the Overton City Council adopted Ordinance No. 2016-05-19B (the “**Ordinance**”), which increased the City’s retail water and sewer rates for commercial customers with meters six inches or larger. See Exhibit B of the Petition. The Petition also identifies that the new rates became effective on August 1, 2016. See Exhibit B of the Petition.

The Prison is located approximately three miles outside of the City and is the only City customer with a meter six inches or larger.¹ Accordingly, the Petition meets the requirement of TEX. WATER CODE § 13.043(c) because the Prison is the only out-of-City customer whose rates have been changed and who is eligible to appeal. The Petition was signed by Michael Bell, MTC’s Vice President of Regional Operations Corrections, and includes the address of MTC’s local office, which pays the Prison’s water and sewer bill. See Petition, page 1, 3. The Petition also identifies the Prison’s service address. See Petition, page 1. Thus, the Petition should be deemed as administratively complete.

PROCESSING THE PETITION AND PROCEDURAL SCHEDULE

If the Commission concludes that the Petition is valid and satisfies the requirements found in TEX. WATER CODE § 13.043(b), (c), (d) and 16 TEX. ADMIN. CODE § 24.42, then the Petition


¹ In the City’s Sur-Reply, the City confirmed that the Prison was the only City ratepayer with a meter six inches or larger. *See* City of Overton’s Sur-Reply to MTC’s Amendment to its Original Petition and Reply to the City of Overton’s Response to Public Utility Commission’s Order No. 1, page 3.

must be processed pursuant to TEX. WATER CODE § 13.0143(e), which provides for a de novo proceeding in which the Commission fixes rates that the municipal utility should have fixed in its July 14, 2016, Overton City Council Meeting. Typically, MTC would include a proposed hearing schedule at this point in which the City would pre-file its testimony first showing its cost of service. However, in this case, the City and MTC have entered into discussions with one another outside of the Commission filings in an effort to arrive at a solution agreeable to the City and the Prison/MTC. Therefore, if the Commission determines that the Petition is valid and takes jurisdiction, the City and MTC desire and recommend the Commission provide an additional time extension of 45 days before the Commission initiates a proceeding so that MTC and the City may engage in meaningful discussions and a thorough analysis of the City's recently adopted rates for the Prison, with the intent of reaching a compromise. If MTC and the City are unable to reach a solution by December 29, 2016, MTC agrees to notify the Commission of this on or before January 5, 2017, with a proposed hearing schedule.

In accordance with Commission Order No. 1, these Comments and Proposed Procedural Schedule are timely filed.

Respectfully submitted,

MCGINNIS LOCHRIDGE

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ATTORNEY FOR MANAGEMENT &
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CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of November, 2016, a true and correct copy of the foregoing Management & Training Corporation's Comments and Proposed Procedural Schedule was sent by certified mail, return receipt requested and electronic mail to counsel of record at the following address:

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