



Control Number: 46438



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APPLICATION OF J&S WATER §
COMPANY, LLC FOR A RATE/TARIFF §
CHANGE §

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COMMISSION STAFF’S SUPPLEMENTAL RECOMMENDATION

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files its Supplemental Recommendation. In support of its Supplemental Recommendation, Staff states the following:

I. Background

J&S Water Company, LLC (J&S Water) serves less than ten thousand (10,000) connections and thus are Class B utilities under the Texas Water Code.¹ J&S Water initiated this proceeding for Commission approval of a proposed increase in its water rates and sewer rates. J&S Water proposes January 1, 2017 as the effective.

On December 27, 2016, the Administrative Law Judge issued Order No. 2, which deemed J&S Water’s application not administratively complete due to certain deficiencies identified by Staff. Order No. 2 permitted J&S Water to cure the deficiencies identified by Staff and required Staff to file a supplemental recommendation by January 20, 2017. This Supplemental Recommendation is timely filed.

On January 10 and 18, 2017, J&S Water filed additional information and revised notice with the Commission. The revised noticed proposed March 1, 2017 as the effective date.

II. Supplemental Recommendation

A. J&S Water’s application is administratively complete and notice is sufficient

Staff has reviewed the additional information and revised notice filed by J&S Water, and Staff recommends that the Commission deem the application and revised notice administratively complete.² Staff further recommends that J&S Water provide revised notice of its proposed rate

¹ See Tex. Water Code § 13.002(4-b).

² Staff’s recommendation is based on the attached memorandum from the Water Utilities Division.

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increase to affected customers by February 1, 2017. Given that J&S Water needs to provide notice of its proposed rate change at least thirty-five (35) days before its proposed effective date,³ Staff also recommends that the Commission modify the proposed effective date of March 1, 2017 to April 1, 2017. Additionally, based on the magnitude of the proposed rate change and the number of ratepayer protests, Staff further recommends that the Commission suspend the modified effective date of April 1, 2017.⁴ J&S Water still has the ability to request interim rates during the suspension period.⁵

B. This proceeding should be referred to the State Office of Administrative Hearings

The Texas Water Code permits the Commission to “set the matter for hearing on its own motion at any time within 120 days after the effective date of the rate change.”⁶ Staff has determined that there are factual disputes associated with J&S Water’s cost of service that need to be adjudicated. Given these factual disputes, Staff requests that the Commission refer this proceeding to the State Office of Administrative Hearings.⁷

III. Conclusion

J&S Water’s application and notice are administratively complete. Staff recommends that the Commission refer this proceeding to the State Office of Administrative Hearings

³ See Tex. Water Code § 13.1871(b) (stating that “A utility may not make changes in its rates except by sending by mail or e-mail a statement of intent to each ratepayer and to the regulatory authority having original jurisdiction at least 35 days before the effective date of the proposed change.”).

⁴ See Tex. Water Code § 13.1871(g) (stating that “the utility commission may suspend the effective date of a rate change for not more than 265 days from the proposed effective rate.”).

⁵ See Tex. Water Code § 13.1871(s) (“stating that “the regulatory authority may fix interim rates to remain in effect during the applicable suspension period”).

⁶ Tex. Water Code § 13.1871(i). See also 16 Tex. Admin. Code § 24.28(c)(1) (stating same).

⁷ See generally 16 Tex. Admin. Code § 22.207.

Date: January 19, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

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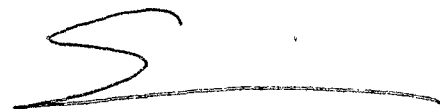


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CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record on January 19, 2017, in accordance with 16 TAC § 22.74.



Sam Chang

PUC Interoffice Memorandum

To: Sam Chang, Attorney
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From: Janie Kohl, Financial Analyst
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Andrew Novak, Rates Analyst
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Date: January 18, 2017

Subject: **Docket No. 46438**, *Application of J&S Water Company, LLC For A Rate/Tariff Change*

On November 29, 2016, J&S Water Company, LLC, (Applicant) filed an application with the Public Utilities Commission (Commission) for a rate/tariff change under Certificate of Convenience and Necessity (CCN) Nos. 12085 and 20658 in Harris, Chambers, and Liberty Counties. An administrative review of the application and notice has been made pursuant to Texas Water Code § 13.13871 (TWC) and 16 Tex. Admin. Code (TAC) §§ 24.21 through 24.26.

Order number one requested staff review the proposed rate change application and proposed notice for completeness by December 20, 2016, and that the Applicant cure all deficiencies by January 6, 2017. After an initial administrative review of the application, Commission Staff noted deficiencies in a deficiency memo dated December 13, 2016. The Applicant cured all deficiencies with filings dated January 10, 2017, and January 18, 2017. Commission staff have completed the administrative review and recommend the application and notice be found administratively complete, and accepted for filing.