



Control Number: 46497



Item Number: 10

Addendum StartPage: 0

TARIFF CONTROL NO. 46497

**APPLICATION OF DEER CREEK §
RANCH WATER COMPANY FOR A §
PASS THROUGH RATE CHANGE §**

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COMMISSION OF TEXAS
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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

Deer Creek Ranch Water Company requests approval of certain pass-through charge that is assessed to its ratepayers. The pass through charge is related to fees that the West Travis County Public Utility Agency charges Deer Creek Ranch Water Company for purchased water. The current pass through charge is \$2.76 per 1,000 gallons of water. The proposed pass through charge is \$2.19 per 1,000 gallons. The proposed pass through charge is comprised of a decrease in the volumetric rate charged by the West Travis County Public Utility Agency, an increase in the monthly fee charged by the West Travis County Public Utility Agency, and a removal of a reservation fee charged by the Lower Colorado River Authority. Deer Creek Ranch Water Company proposes that the new pass through charge is effective October 1, 2016.

On December 20, 2016, the Commission issued a notice finding that Deer Creek Ranch Water Company's application and notice were deficient. The notice also provided Deer Creek Ranch Water Company an opportunity to cure the deficiencies in its application and notice by December 5, 2016. The notice also required Staff to file a supplemental recommendation by January 23, 2017. Staff's Supplemental Recommendation is timely filed.

On December 21, 2016, January 10, 2017, and January 17, 2017, Deer Creek Ranch Company filed additional documents with the Commission in order to cure the deficiencies identified by Staff. Among these documents were revised notice of the pass-through charge and proof of payment of certain regulatory assessment fees.

II. Supplemental Recommendation

Staff has reviewed the additional documents filed by Deer Creek Ranch Company, and Staff recommends that its application be deemed administratively complete.¹ To assist in the processing of the remainder of this proceeding, Staff recommends that the Commission adopt the following procedural schedule:

Event	Deadline
Deadline for Commission Staff to file its recommendation	February 24, 2017
Deadline for Deer Creek Ranch Water Company to respond to Staff's recommendation if it chooses to do so	March 10, 2017

III. Conclusion

Staff recommends that the Commission deem Deer Creek Ranch Water Company's application administratively complete and to adopt the procedural schedule above.

¹ Staff's recommendation is based on the attached memorandum from Emily Sears of the Water Utilities Division.

Date: January 23, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division

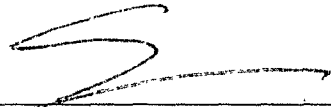


Sam Chang
State Bar No. 24078333
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7261
(512) 936-7268 (facsimile)

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CERTIFICATE OF SERVICE

I certify that a copy of this document was served his document was served on all parties of record on January 23, 2017 in accordance with 16 Tex. Admin. Code § 22.74.



Sam Chang

Public Utility Commission of Texas

Memorandum

To: Sam Chang, Attorney
Legal Division

Thru: Tammy Benter, Director
Debi Loockerman, Manager
Water Utilities Division

From: Emily Sears, Financial Analyst
Water Utilities Division

Date: January 17, 2017

Subject: **Tariff Control No. 46497;** *Application of Deer Creek Ranch Water Company for a Pass Through Rate Change*

On October 31, 2016, Deer Creek Ranch Water Company (Deer Creek or Applicant), Certificate of Convenience and Necessity (CCN) No. 11241, filed an application with the Public Utility Commission of Texas (PUC) to implement an adjustment of its pass-through gallonage charge pursuant to 16 Tex. Admin. Code § 24.21(h) (TAC). This application will decrease the purchased water fee to Deer Creek customers from \$2.76 per 1,000 gallons to \$2.19 per 1,000 gallons. This includes a decrease from West Travis County Public Utility Agency (WTCPUA) volumetric rate from \$1.81 per 1,000 gallons to \$1.64 per 1,000 gallons, and removal of the Lower Colorado River Authority (LCRA) Reservation fee from the gallonage charge. The monthly fee will also increase from \$12,177.41 to \$12,277.42, inclusive of the WTCPUA annual fee of \$50,000 and the \$8,110.75 monthly fee. The LCRA Reservation fee will be included in the monthly fee. These fee changes became effective October 1, 2016.

The application was deemed deficient on December 20, 2016. The Applicant correctly re-noticed their customers, and the Texas Commission on Environmental Quality's records show that the Applicant's 2014 Regulatory Assessment Fee has now been paid.

Staff recommends this application be deemed sufficient for filing.