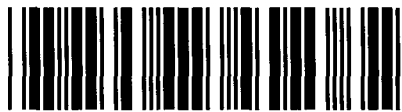




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TARIFF CONTROL NO. 46497

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

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§

**PUBLIC UTILITY
COMMISSION OF TEXAS**

PUBLIC UTILITY COMMISSION
FILING CLERK

**COMMISSION STAFF'S
RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS**

Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) files this Recommendation on Administrative Completeness. In support of its Recommendation on Administrative Completeness, 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.

II. Staff's Recommendation

Staff has reviewed Deer Creek Ranch Water Company's application and supporting documents, and Staff recommends that the application not be deemed administratively complete.¹ Staff has identified the following deficiencies with the application:

a. In its notice to its ratepayers, Deer Creek Ranch Water Company did not include the amount of the reservation fee charged by the Lower Colorado River Authority. Deer Creek Ranch Water Company should send notice to its ratepayers that contains this amount.

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

b. Deer Creek Ranch Water Company has yet to pay the Texas Commission on Environmental Quality a regulatory assessment fee for 2014. Deer Creek Ranch Water Company should make this payment.

Staff recommends Deer Creek Ranch Water Company be given until December 5, 2016 to amend its application in order to cure the deficiencies identified by Staff. Staff will then review this amended application for administrative completeness by December 19, 2016. In the event that Staff recommends that the Commission find that Deer Creek Ranch Water Company's amended application is administratively complete, Staff will propose a procedural schedule.

With regard to the proposed October 1, 2016 effective date, Staff recommends that this effective date remain the same.

III. Conclusion

Staff recommends that the Commission find that Deer Creek Ranch Water Company's application is not administratively complete due to certain deficiencies identified by Staff. Staff recommends that Deer Creek Ranch Water Company be required to amend its application as requested by Staff.

Date: November 18, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director
Legal Division

Stephen Mack
Managing Attorney
Legal Division

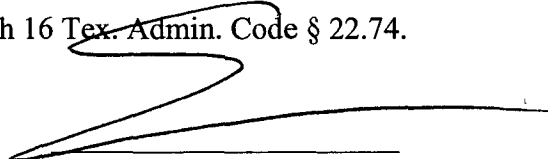


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TARIFF CONTROL NO. 46497

CERTIFICATE OF SERVICE

I certify that a copy of this document was served his document was served on all parties of record on November 18, 2016 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: November 15, 2016

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 notice was insufficient, as the LCRA fee was not identified. The Applicant is also delinquent with respect to its 2014 Regulatory Assessment Fees.

Staff recommends the application be deemed insufficient for filing. In order to cure the deficiency, Staff recommends that the Commission order the Applicant to:

1. Re-notice its customers to include the LCRA fee amount in dollar amount (i.e. $(250 \text{ ac-ft} \times \$72.50)/12 = \$1,510.42$ / number of customers). Staff recommends that the effective date remain the same; and
2. Provide documentation showing the 2014 Regulatory Assessment Fee has been paid.