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DOCKET NO. 46556

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PUBLIC UTILITY COMMISSION
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**APPLICATION OF RIVERSIDE WASTE
WATER TREATMENT PLANT OFR
AUTHORITY TO CHANGE RATES**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

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

COMES NOW the Staff ("Staff") of the Public Utility Commission of Texas ("Commission"), representing the public interest, and files this Recommendation on Administrative Completeness.

I. BACKGROUND

On November 9, 2016, River Side Waste Water Treatment Plant ("River Side") filed an application to change rates.¹ On November 14, 2016, Order No. 1 was entered, requiring Staff to file comments on the administrative completeness of the application by December 7, 2016. This pleading is timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

Consistent with the attached memorandum of Patricia Garcia and Andrew Novak, Water Utilities Division, Staff recommends that the application is not administrative complete. Staff notes that the test year used in the application ends December 31, 2014,² which does not comport with the requirement that a test year be based on the most recent 12-month period for which operating data for a retail public utility are available.³ Staff expects that information from 2015 or 2016 should be available to the utility at this time. In addition, River Side does not appear to have filed annual reports that were due to be filed in 2014, 2015, or 2016, which are required by 16 Tex.

¹ Application (Nov. 9, 2016).

² *Id.* at 3.

³ Tex. Water Code §§ 13.002(22) and 13.185(d)(1) (West 2016).

Admin. Code § 24.73 ("TAC"). As a result, Staff recommends that the application be dismissed pursuant to 16 TAC § 22.181 without prejudice to refiling so that River Side may refile the application once the above issues are addressed.

Because Staff recommends that the application is not administratively complete at this time, Staff is unable to propose a procedural schedule for further processing. If the application is not dismissed, Staff recommends that River Side be provided until January 31, 2017 to file a revised application and that Staff be provided until February 28, 2017 to file further comments regarding the application.

If the application is not dismissed but is deemed to not be administratively complete, Staff also recommends that the effective date of the proposed rates be suspended due to the deficiency of the application.⁴

III. CONCLUSION

Staff respectfully requests that the application be dismissed without prejudice pursuant to 16 TAC § 22.181. If the application is not dismissed, Staff respectfully requests that River Side be required to file a revised application.

⁴ 16 TAC § 24.26(b)(1).

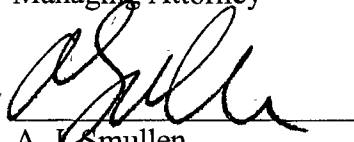
Date: December 7, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 7, 2016 in accordance with 16 TAC § 22.74.


A. J. Smullen

Public Utility Commission of Texas

Memorandum

TO: AJ Smullen, Attorney
Legal Division

THRU: Tammy Benter, Director
Debi Loockerman, Financial Manager
Heidi Graham, Engineer Director
Water Utility Regulation

FROM: Patricia Garcia, Staff Engineer
Andrew Novak, Financial Examiner
Water Utility Regulation

DATE: December 7, 2016

SUBJECT: **Docket No. 46556**, *Application of Riverside Waste Water Treatment Plant for Authority to Change Rates*

On November 9, 2016, River Side Waste Water Treatment Plant (River Side WWTP), Certificate of Convenience and Necessity (CCN) No. 20740, filed an application with the Public Utility Commission of Texas (Commission) for a sewer rate/tariff change in Smith County, Texas. An administrative review of this application is now being made pursuant to Texas Water Code § 13.1871 (TWC) and 16 Tex. Admin. Code §§ 24.8 and 24.22 (TAC). River Side WWTP currently provides sewer service under discharge permit number WQ0011778001 to 144 connections.

Staff reviewed the information and finds the application administratively incomplete and recommends dismissal of the application. Staff recommends dismissal of the application due to the stale test year data submitted and the fact that the utility has not provided financial information in the form of annual reports in the past three years. The test year used in the application ended December 31, 2014, and does not meet the definition of a test year in 16 TAC 24.3(71) which states, "the most recent 12-month period, beginning on the first day of a calendar or fiscal year quarter, for which operating data for a retail public utility are available." Because River Side has apparently been operating for at least the past three years (2016, 2015 and 2014) and is required to file annual reports with the Commission every year, the information and operating data is required to be available, at the very least for the year ended December 31, 2015.

Staff notes that if applicant submit a new application, staff recommends River Side WWTP submit the following along with the application:

1. Provide data and documentation for the most recent test year.
2. Provide proof of payment of regulatory assessment for 2015, 2014, and 2013.
3. File the annual reports for River Side WWTP for the years 2015, 2014 and 2013 as required by Texas Water Code §13.136(b) and 16 TAC 24.71.