

Control Number: 46556



Item Number: 54

Addendum StartPage: 0

SOAH DOCKET NO. 473-18-1394.WS
PUC DOCKET NO. 46556

RECEIVED

APPLICATION OF RIVERSIDE
WASTEWATER TREATMENT
PLANT FOR AUTHORITY TO
CHANGE RATES

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STATE OFFICE OF
2018 MAR 19 AM 11:01
ADMINISTRATIVE HEARINGS
FILING CLERK

**JOINT MOTIONS TO ADMIT EVIDENCE, REMAND,
AND APPROVE PROPOSED ORDER**

COMES NOW the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) and Riverside Wastewater Treatment Plant (Riverside) (collectively, the Signatories) to jointly file these Motions to Admit Evidence, Remand, and Approve Proposed Order. In support thereof, the Parties show the following:

I. Background

On November 9, 2016, Riverside filed an application requesting authority for water rate and tariff changes in Brazos County, Texas. The application proposes to increase Riverside's sewer rates for Certificate of Convenience and Necessity (CCN) No. 20740.

This joint filing includes a proposed final order with findings of fact, conclusions of law, and ordering paragraphs. The Signatories have reviewed and agree to the Proposed Order attached hereto.

II. Summary of the Stipulation

The Signatories believe that a resolution of this docket consistent with the stipulation is reasonable and in the public interest.

The Signatories agree that Riverside should be allowed to implement the retail water utility rates contained in the tariff included as Attachment A. The Signatories agree that approval of the stipulated rates is reasonable and in the public interest. The memorandum of Andrew Novak of the Commission's Water Utilities Division is included as Attachment C to the Stipulation in support of the Stipulation.

The effective date of the new rates will be the first day of the month following Commission approval of the stipulated rates. The Signatories agree that these rates are just and reasonable and consistent with the public interest.

Finally, the Signatories agree that Riverside shall not seek to recover and shall not collect any rate-case expense that it has incurred or will incur in relation to this proceeding.

III. Motion to Admit Evidence

The Signatories respectfully request that the following evidence be admitted into the record of this proceeding for the purpose of supporting a Commission order approving the proposed settlement:

- a. Application of Riverside for a Class B Rate/Tariff Change, filed on November 7, 2016;
- b. Riverside's proof of notice, filed on July 27, 2017;
- c. Riverside's proof of notice for the February 13, 2018, Pre-Hearing Conference at SOAH, filed on March 14, 2018;
- d. the Unanimous Stipulation, including attachments, filed on the same day as this motion; and
- e. the memorandum of Andrew Novak of the Commission's Water Utilities Division in support of the stipulation, filed on the same day as this motion.

IV. Motion for Remand

The Signatories respectfully request that the Administrative Law Judge remand this proceeding to the Commission for consideration of the Signatories' unanimous stipulation and proposed order.

V. Motion for Adoption of the Proposed Order


The Signatories respectfully request that the Commission adopt a final order approving the unanimous stipulation consistent with the parties' proposed final order, included with the Stipulation as Attachment B.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

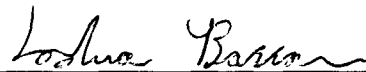
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Joshua.Barron@puc.texas.gov

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 26, 2018 in accordance with the requirements of 16 Tex. Admin. Code § 22.74.



Joshua Adam Barron

S.O.A.H. DOCKET NO. 473-18-1394.WS
P.U.C. DOCKET NO. 46556

APPLICATION OF RIVERSIDE WASTEWATER TREATMENT PLANT FOR AUTHORITY TO CHANGE RATES	§ § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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UNANIMOUS STIPULATION AND SETTLEMENT AGREEMENT

This Unanimous Stipulation and Settlement Agreement (Stipulation) is entered into by the parties in this case, who are Commission Staff (Staff) of the Public Utility Commission of Texas (Commission) and Riverside Wastewater Treatment Plant (Riverside), either personally or through their duly authorized representatives (collectively, Signatories).

I. BACKGROUND

On November 9, 2016, Riverside filed an application with the Commission for a rate/tariff change. Riverside seeks a rate increase for its Certificate of Convenience and Necessity (CCN) No. 20740 in Brazos County, Texas. On December 1, 2017, Staff filed a request for hearing pursuant to 16 Texas Administrative Code (TAC) § 24.28(c)(2), which requires the Commission to set an application to change rates for a hearing if it receives protests from the lessor of 1,000 or 10 percent of affected ratepayers. The Commission had received the requisite number of protests to constitute the required 10 percent of affected ratepayers

On December 12, 2017, the Commission issued an Order of Referral referring this docket to the State Office of Administrative Hearings (SOAH) for a hearing on the merits. On February 14, 2018, the SOAH administrative law judge (ALJ) issued SOAH Order No. 4, which established a Procedural Schedule. No other parties sought to intervene in this docket.

The Signatories have had settlement discussions and reached the agreement reflected herein. In accordance with the deadline established in SOAH Order No. 4, this pleading is timely filed. The Signatories believe that a resolution of this docket pursuant to the terms stated below is reasonable and in the public interest. Settlement will also conserve the resources of the parties and the Commission. The Signatories jointly request Commission approval of this Stipulation and entry of orders, findings of fact, and conclusions of law consistent with the approval. By this Stipulation, the Signatories resolve all issues among them related to Riverside's application, and agree as follows:

II. STIPULATION AND AGREEMENT

The Signatories agree that Riverside should be allowed to implement the retail sewer utility rates contained in the tariff included as **Attachment A** to this Stipulation for the sewer system included in Riverside's application. The Signatories agree that the attached rates are just and reasonable and are consistent with the public interest. The tariff included as **Attachment A** includes the \$52.00 per connection per month fee.

The Signatories jointly propose that the Commission issue a final order in the form attached as **Attachment B**. The Signatories submit the stipulated and agreed upon Findings of Fact and Conclusions of Law included in the proposed order for the Commission's adoption and inclusion in a final order in this case implementing the terms of this Stipulation.

III. IMPLEMENTATION OF AGREEMENT

1. Obligation to Support this Stipulation

The Signatories will support this Stipulation before the Commission and will take reasonable steps to support expeditious entry of orders fully consistent with this Stipulation. This provision shall not preclude any party from taking action that is mandatory and nondiscretionary pursuant to a law enacted after the date this Stipulation is filed at the Commission.

2. Effect of Stipulation

- a. The Stipulation does not adopt any particular methodology underlying the settlement rates or rate design reflected in the Stipulation.
- b. The failure to litigate any specific issue in this docket does not waive any Signatory's rights to contest that issue in any other current or future proceeding. The failure to litigate an issue cannot be asserted as a defense or estoppel, or any similar argument, by or against any Signatory in any other proceeding.
- c. The terms of this Stipulation may not be used either as an admission or concession of any sort or as evidence in any proceeding except to enforce the terms of this Stipulation. Oral or written statements made during the course of the settlement negotiations may not be used for any purposes other than as necessary to support

the entry by the Commission of an order implementing this Stipulation. All oral or written statements made during the course of the settlement negotiations are governed by Tex. R. Evid. 408.

- d. The Signatories arrived at this Stipulation through extensive negotiation and compromise. This Stipulation reflects a compromise, settlement and accommodation among the Signatories, and the Signatories agree that the terms and conditions herein are interdependent. The Signatories agree that this Stipulation is in the public interest. All actions by the Signatories contemplated or required by this Stipulation are conditioned upon entry by the Commission of a final order fully consistent with this Stipulation. If the Commission does not accept this Stipulation as presented or enters an order inconsistent with any term of this Stipulation, any Signatory shall be released from all commitments and obligations, and shall have the right to seek hearing on all issues, present evidence, and advance any positions it desires, as if it had not been a Signatory.
- e. This Stipulation is binding on each of the Signatories only for the purpose of settling the issues as set forth herein and for no other purposes. It is acknowledged that a Signatory's support of the matters contained in this Stipulation may differ from the position taken or testimony presented by it in this proceeding or other proceedings. To the extent that there is a difference, a Signatory does not waive its position in any other proceedings. Because this is a stipulated resolution, no Signatory is under any obligation to take the same positions as set out in this Stipulation in other proceedings, whether those proceedings present the same or a different set of circumstances, except as may otherwise be explicitly provided in this Stipulation.
- f. There are no third party beneficiaries of this Stipulation. Although this Stipulation represents a settlement among the Signatories with respect to the issues presented in this docket, this Stipulation is merely a settlement proposal submitted to the Commission, which has the authority to enter an order resolving these issues.
- g. This Stipulation supersedes any prior written or oral agreement in this docket regarding the subject matter of this Stipulation.

- h. The final resolution of this docket does not impose any conditions, obligations, or limitations on Riverside's right to file a future rate application and obtain rate relief in accordance with the Texas Water Code.
- i. This Stipulation shall not be binding or precedential upon a Signatory outside this docket and Signatories retain their rights to pursue relief to which they may be entitled in other proceedings.

3. Execution

The Signatories agree that this Stipulation may be executed in multiple counterparts and filed with facsimile or computer image signatures.

Executed as shown below:

Dated this 19 day of MARCH, 2018.

Riverside Wastewater Treatment Plant

By: _____

Jason Luze

Representative for Riverside Wastewater Treatment Plant

Date: _____

March 16, 2018

Staff of the Public Utility Commission of Texas

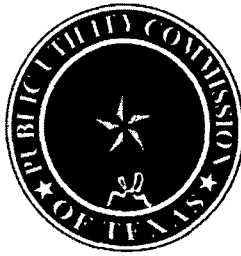
By: Joshua Barron

Joshua Adam Barron

Attorneys for Staff of the Public Utility Commission of Texas

Date: March 19, 2018

Attachment A



SEWER UTILITY TARIFF
Docket Number 46556

Syed Hyder dba Riverside Wastewater Treatment Plant
(Utility Name)

475 Higgs Drive
(Business Address)

Bryan, Texas 77807
(City, State, Zip Code)

979/823-4952
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

20740

This tariff is effective in the following county:
Brazos

This tariff is effective in the following cities or unincorporated towns (if any):

A portion of the subdivision is in Bryan, Texas

This tariff is effective in the following subdivisions or systems:

Riverside Estates

This tariff is effective for the following water quality permit number:

WQ0011778001

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE	2
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APPENDIX A -- SAMPLE SERVICE AGREEMENT

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
All	<u>\$52.00</u> flat rate	None

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card _____, Other _____

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

REGULATORY ASSESSMENT1.0%
PUBLIC UTILITY COMMISSION (PUC) RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).

TAP FEE (Large Connection Tap).....\$0.00
TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" METERS.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$0.00

LATE CHARGE (Either \$5.00 or 10% of the bill)..... \$2.00 or 5%
COMMISSION RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$35.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$0.00

SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 – Commission Rules

The Utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before service is provided by the utility. A separate application or contract will be made for each separate location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install a service connection, which may include a utility cut-off valve, and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, the utility will reconnect the service within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of use.

Section 2.03 – Refusal of Service

The Utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the Commission rules. In the event that the Utility refuses to serve an applicant, the Utility will inform the applicant in writing of the basis of its refusal. The Utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.04 – Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the Utility, the applicant may be required to pay a deposit as provided for in Section 1.01 of this tariff. The Utility will keep records of the deposit and credit interest in accordance with commission rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the Utility or another water or sewer utility that accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the Utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Refund of deposit - If service is not connected, or after disconnection of service, the Utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The Utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

Section 2.05 – Meter Requirements, Readings, and Testing

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. When a sewer utility is operated in conjunction with a water utility which serves the same customers, the charge for sewage disposal service may be based on the customer's water meter. One connection is required for each residential, commercial or industrial facility in accordance with Commission rules.

Section 2.06 - Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. Payment is considered late if it is not received by 5:00 p.m. at the Utility's office or postal address within sixteen (16) days of the billing date. The postmark on the envelope of the bill or the recorded date of mailing by the utility, if there is no postmark on the envelope, will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of either \$2.00 or 5.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the Commission rules. The Utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers of each of the systems it operates. At the Utility's option, a toll-free telephone number or the equivalent may be provided.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Notice of termination must be a separate mailing or hand delivery in accordance with the commission rules.

Utility service may also be disconnected without notice for reasons as described in the commission rules.

Utility personnel must be available to collect payments and reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Section 2.08 - Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Prorated Bills - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.10 - Quality of Service

The Utility will plan, furnish, and maintain and operate a treatment and collection facilities of sufficient size and capacity to provide a continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge the effluent at the quality required by its discharge permit issued by the TCEQ. Unless otherwise authorized by the Commission, the Utility will maintain facilities as described in the TCEQ Rules.

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the Utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the Utility's response, the Utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the Commission may require continuation or restoration of service.

The Utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

SECTION 2.20 – SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with Commission rules to be effective.

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any oversizing of collection mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment capacity or facilities. Contributions in aid of construction may not be required of individual residential customers for treatment capacity or collection facilities unless otherwise approved by the Commission under this specific extension policy.

COSTS UTILITIES SHALL BEAR. Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with TCEQ and Commission rules.

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. The approval stamp of the Commission indicates that it is in compliance with the Commission rules and is effective after the date on the stamp.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

Developers will be required to provide contributions in aid of construction in amounts to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ's minimum design criteria for facilities used in the collecting, treating and discharging wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

APPENDIX A -- SAMPLE SERVICE AGREEMENT
From TCEQ Rules, 30 TAC Chapter 290.47(b), Appendix B
SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF SEWER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF SEWER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the sewer system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS.** The following unacceptable practices are prohibited by State regulations.
 - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
 - C. No connection which allows water to be returned to the public drinking water supply is permitted.
 - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
 - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the NAME OF SEWER SYSTEM (the Sewer System) and NAME OF CUSTOMER (the Customer).
 - A. The Sewer System will maintain a copy of this agreement as long as the Customer and/or the premises are connected to the Sewer System.
 - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Sewer System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Sewer System's normal business hours.
 - C. The Sewer System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
 - D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
 - E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Sewer System. Copies of all testing and maintenance records shall be provided to the Sewer System.
- IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of the Service Agreement, the Sewer System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

Customer's Signature

Date

Attachment B

SOAH DOCKET NO. 473-18-3794.WS
PUC DOCKET NO. 46556

APPLICATION OF RIVERSIDE	§	PUBLIC UTILITY COMMISSION
WASTEWATER TREATMENT	§	
PLANT FOR AUTHORITY TO	§	OF TEXAS
CHANGE RATES	§	

PROPOSED FINAL ORDER

This Order addresses the application of Riverside Wastewater Treatment Plant (Riverside) for an increase in sewer rates charged to its customers in Brazos County, Texas. A unanimous stipulation was executed that resolves all issues in this proceeding. Consistent with that stipulation, Riverside's application is approved.

The Public Utility Commission of Texas (Commission) adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Procedural History

1. On November 9, 2016, Riverside filed an application requesting authority for sewer rate and tariff changes.
2. Riverside seeks a rate increase for its sewer Certificate of Convenience and Necessity (CCN) No. 20740 in Brazos County, Texas.
3. On November 14, 2016, the Commission Administrative Law Judge (ALJ) issued Order No. 1: Requiring Comments on Administrative Completeness and Addressing Other Procedural Matters.
4. On December 7, 2016, Commission (Staff) filed its First Administrative Completeness Recommendation, recommending that Riverside's application be found deficient.
5. On December 7, 2016, Riverside filed a Letter of Comment regarding the Application.
6. On December 12, 2016, the ALJ issued Order No. 2: Deeming Application Deficient and Suspending Effective Date.
7. On February 1, 2017, Riverside filed an Updated Rate Application.
8. On February 28, 2017, Staff filed its Second Administrative Completeness Recommendation, recommending that Riverside's application be found deficient.
9. On March 3, 2017, the ALJ issued Order No. 3: Deeming Application Deficient.

10. On March 31, 2017, Riverside filed a Letter of Response to Order No. 3.
11. On April 28, 2017, Staff filed its Third Administrative Completeness Recommendation, recommending that Riverside's application be found deficient.
12. On May 1, 2017, Riverside filed Supplemental Information.
13. On May 1, 2017, the ALJ issued Order No. 4.: Deeming Application Deficient.
14. On May 22, 2017, Riverside filed a Response to PUC Order No. 4.
15. On May 30, 2017, Jessica Borden filed a Ratepayer Protest.
16. On June 1, 2017, Staff filed a Request for Extension of Time and a Motion for Suspension of the Effective Date of the Proposed Rates.
17. On June 5, 2017, the ALJ issued Order No. 5: Granting Extension and Suspending Rates.
18. On June 23, 2017, Staff filed a Request for Extension of Time.
19. On June 23, 2017, the ALJ issued Order No. 6: Granting Extension.
20. On July 7, 2017, Staff filed a Request for Extension of Time.
21. On July 10, 2017, the ALJ issued Order No. 7: Granting Extension.
22. On July 27, 2017, Riverside filed its Proof of Notice.
23. On July 28, 2017, Commission Staff (Staff) filed its Fourth Administrative Completeness Recommendation, recommending that Riverside's application and notice be found sufficient.
24. On August 2, 2017, the ALJ issued Order No. 8: Deeming Application and Notice Sufficient.
25. On August 16, 2017, fifteen (15) ratepayers filed protests: Hilario and Elvira Rico, Adriano Franados, Maria Torres, Carlos and Debra Rico, Tonisha Galan, Amy Brown, Francis Willis, Cheryl Willis, Hynek Hejl, Sandra Becerra, Debbie Henderson, Karen Piper, Sharon Zoch, Margaret Jeffcoat, Jose Luis Fendes.
26. On December 1, 2017, Staff filed a Request for a Hearing.
27. On December 12, 2017, the Commission issued an Order of Referral, referring this proceeding to the State Office of Administrative Hearings (SOAH).
28. On December 18, 2017, the SOAH ALJ issued SOAH Order No. 1: Description of Case, Notice of Prehearing Conference, and General Procedural Requirements.
29. On December 19, 2017, Staff filed a Change of Counsel.
30. On December 21, 2017, Staff filed a Joint Request to Revise Pre-Hearing Conference Date.

31. On January 2, 2018, the SOAH ALJ issued SOAH Order No. 2: Rescheduling Prehearing Conference.
32. On January 4, 2018, Staff filed a List of Issues with the Commission.
33. On January 25, 2018, the Commission issued a Preliminary Order.
34. On February 13, 2018, a pre-hearing conference was held.
35. No parties other than Staff and Riverside were admitted as parties to this proceeding.
36. On February 14, 2018, the SOAH ALJ issued SOAH Order No. 4: Memorializing Prehearing Conference and Establishing a Procedural Schedule.
37. On March 14, 2018, Riverside filed proof that notice that the case had been set for hearing and information on how to intervene in the docket was provided to Riverside's ratepayers on or about January 19, 2018.

Notice

38. As indicated by Riverside's proof of notice filed on July 27, 2017, notice of the application was delivered to Riverside's ratepayers on July 21, 2017.
39. As indicated by Riverside's proof of notice filed on March 14, 2018, notice that the case had been set for hearing and information on how to intervene in the docket was provided to Riverside's ratepayers on or about January 19, 2018.

Evidentiary Record

40. On March 19, 2018, Riverside and Staff (collectively, Signatories) filed a joint motion to admit evidence and to remand the proceeding to the Commission, with attachments including the signed stipulation, agreed proposed tariff, and proposed final order. Staff also filed the memorandum of Andrew Novak and Patricia Garcia in support of the stipulation.
41. On _____, 2018 the SOAH ALJ issued Order No. __ admitting the following requested evidence into the record, dismissing the SOAH docket, and remanding the proceeding to the Commission:
 - a. Application of Riverside for a Class B Rate/Tariff Change, filed on November 9, 2016;
 - b. Riverside's proof of notice, filed on July 27, 2017.
 - c. Riverside's Pre-Hearing Notice Affidavit, filed on March 14, 2018;
 - d. the Unanimous Stipulation, including attachments, filed on March 19, 2018; and

- e. the memorandum of Andrew Novak and Patricia Garcia of the Commission's Water Utilities Division in support of the stipulation, filed on March 19, 2018.

Description of the Stipulation

42. The Signatories believe that a resolution of this docket consistent with the unanimous stipulation is reasonable and in the public interest.
43. The stipulation states that Riverside will be allowed to implement the sewer utility rates contained in the revised tariff for CCN No. 20740 for in Brazos County, Texas, attached to the stipulation and this order.
44. The stipulation contains the Signatories' agreement that the rates contained in the revised tariff are just and reasonable and consistent with the public interest.
45. The stipulation states that the revised tariff will govern the sewer utility rates, terms, treatments, and conditions for Riverside's ratepayer customers.

Consistency of the Stipulation with the Texas Water Code and Commission Requirements

46. Considered in light of Riverside's application, responses to discovery requests, and information exchanged through confidential privileged settlement negotiations, the stipulation is the result of compromise from each party, and these efforts, as well as the overall result of the stipulation, support the reasonableness and benefits of the terms of the stipulation.
47. The rates, terms, and conditions of the tariff resulting from the stipulation are just and reasonable when the benefits of avoiding an expensive contested case hearing are considered.

II. Conclusions of Law

1. Riverside is a retail public utility as defined in TWC § 13.002(19)¹ and 16 TAC § 24.3(59)
2. The Commission has jurisdiction to consider Riverside's application under TWC §§ 13.041, 13.181-.185, and 13.1871 and using the procedures set forth in 16 TAC §§ 24.12-.36.

¹Tex. Water Code Ann. § 13.002(19) (West 2008 and Supp. 2016) (TWC).

3. Riverside provided proper notice of the application as required by TWC § 13.1871 and 16 §§ 24.22 and 24.28.
4. This docket was processed in accordance with the requirements of the TWC, the Administrative Procedure Act, and Commission rules.
5. This docket contains no remaining contested issues of fact or law.
6. The agreement, taken as a whole, is a just and reasonable resolution of all the issues that it addresses, results in just and reasonable rates, terms, and conditions, is consistent with the relevant provisions of TWC Chapter 13, and should be approved.
7. Consistent with the agreement, the rates are just and reasonable, comply with the ratemaking provisions of TWC Chapter 13, and are not unreasonably discriminatory, preferential, or prejudicial.
8. This application does not constitute a major rate proceeding, as defined by 16 TAC § 22.2(27).
9. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. The amended application of Riverside for authority to change its sewer utility rates and tariff is approved consistent with the above findings of fact and conclusions of law as well as the stipulation.
2. Consistent with the stipulation, Riverside's rates, terms, and conditions are approved.
3. The tariff provided as Attachment A to the stipulation is approved effective the first day of the month following the Commission's issuance of this Order.
4. Riverside will not seek rate-case expenses for the processing of this docket.
5. Entry of this Order consistent with the stipulation does not indicate the Commission's endorsement of any principle or methodology that may underlie the stipulation. Entry of this Order shall not be regarded as precedent as to the appropriateness of any principle or methodology underlying the stipulation.

6. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the _____ day of _____, 2018.

PUBLIC UTILITY COMMISSION OF TEXAS

DEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

Attachment C

Public Utility Commission of Texas

Memorandum

TO: Joshua Barron, Attorney
Legal Division

THRU: Heidi Graham, Manager
Debi Loockerman, Manager
Water Utility Regulation

FROM: Andrew Novak, Financial Analyst
Patricia Garcia, Engineering Specialist
Water Utility Regulation

DATE: March 1, 2018

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

Background

On November 9, 2016, Riverside Waste Water Treatment Plant. (Riverside, or Applicant) filed an application with the Public Utilities Commission of Texas (Commission) for a rate/tariff change affecting sewer Certificate of Convenience and Necessity (CCN) No. 20740 in Brazos County. 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.

Staff Recommendation

Staff recommends approval of the application and the new tariff with revisions based on the stipulated revenue requirement and rates. Staff recommends that Riverside be allowed to charge its customers a flat rate of \$52.00 per connection per month.

Revenue Requirement

The rates requested by the Applicant produce estimated total revenues of \$78,624. Staff adjustments create a recommended total cost of service of \$167,701, therefore Staff's recommended cost of service is higher than the Applicant's requested revenues produced by the proposed rates. The revenue requirement produced by the stipulated rates is based on the staff review completed as of February 2018. Staff believes that the revenue requirement produced by the stipulated rates is within a reasonable range of the revenue requirement that may result from a full evidentiary proceeding.

The proposed rates are limited by the rates noticed to the customers in this case. Therefore, Staff is satisfied that the Applicant's proposed rates are reasonable and necessary to provide sewer service, and reasonably cover the level of the cost of service.

Plant in Service

The Applicant claims an original cost of \$311,162, annual depreciation of \$27,651, accumulated depreciation of \$60,866 and the total net book value of existing facilities of \$250,296. Staff made no adjustments to the Applicant's plant in service.

Return on Invested Capital

16 TAC § 24.31(c)(1) requires that the return should be reasonably sufficient to assure confidence in the financial soundness of the utility and that the Commission shall consider the efforts and achievements of the utility in the conservation of resources and the quality of the utility's services. Staff recommends that the Commission find that the overall return produced by the stipulated rates meets the requirements of 16 TAC § 24.31(c)(1).

Rate Design

TWC § 13.182 requires that rates be just and reasonable and that they are sufficient, equitable, and consistent with respect to each class of customers. Based on the stipulated revenue requirement of \$167,701, a total of 126 connections, Staff finds that the \$52.00 per connection per month proposed by Riverside is reasonable.

Conclusion

Staff believes that the stipulated rates are just and reasonable and based on a cost of service that is necessary to provide sewer service to the customers of Riverside. Therefore, Staff recommends that the Commission approve the stipulated rates and provisions as listed in the recommendation above.