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DOCKET NO. 46599

APPLICATION OF DOMESTIC

WATER COMPANY, INC. FOR A PASSTHROUGH RATE CHANGE

PUBLIC UTILITY COMMISSION 2 PM 1: 0

OF TEXAS

COMMISSION STAFF'S RECOMMENDATION FINDING APPLICATION ADMINISTRATIVELY INCOMPLETE

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 1 and Recommendation Finding Application Administratively Incomplete. In support thereof, Staff shows the following:

I. Background

On November 21, 2016, Domestic Water Company, Inc. (Domestic) requested approval of a pass-through rate increase for Certificate of Convenience and Necessity (CCN) No. 10348, in Montgomery County, because of an increase in groundwater pumpage fees imposed on the utility by the Lone Star Groundwater Conservation District. Royal Forrest Subdivision, PWS # 1700037, is the subdivision/water system listed as being affected by the pass-through rate increase. The requested effective date for the pass-through rate change is January 1, 2017.

On November 22, 2016, a Notice was issued requiring Staff to file a recommendation on Domestic's application, including sufficiency of notice and propose a procedural schedule by December 12, 2016. Accordingly, this pleading is timely filed.

II. Recommendation on Administrative Sufficiency

Staff has reviewed the application and notice in accordance with Tex. Water Code, Chapter 13, and 16 Tex. Admin. Code §24.21 (TAC) and, as supported by the attached memorandum from Greg Charles, Staff Engineer with the Water Utilities Division, Staff recommends that the application be deemed administratively incomplete and deficient. Domestic is delinquent in paying 2009 regulatory assessment fees. Pursuant to 16 TAC § 24.8(a), applications are not considered filed until a determination of administrative completeness is made. In order to continue processing the application, Staff recommends the effective date of the increase be suspended,

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Domestic be required to cure this deficiency by January 13, 2016 and that Staff be required to provide a supplemental recommendation by February 3, 2017.

III. Proposed Procedural Schedule

Due to the deficiencies in the application, Staff does not recommend a procedural schedule for the evaluation of the merits at this time. Staff recommends that Domestic be required to cure this deficiency by January 13, 2016 and that Staff be required to provide a supplemental recommendation by February 3, 2017.

IV. Conclusion

Staff respectfully requests that an order be issued consistent with this Recommendation.

Dated: December 12, 2016

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION.

Margaret Uhlig Pemberton Division Director

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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 12, 2016, in accordance with 16 TAC § 22.74.

Ralph J. Daigneault

PUC Interoffice Memorandum

To:

Ralph Daigneault, Attorney

Legal Division

Thru:

Tammy Benter, Director Debi Loockerman, Manager Water Utilities Division

From:

Greg Charles, Staff Engineer

Water Utilities Division

Date:

December 5, 2016

Subject:

Docket No. 46599, Application of Domestic Water Company, Inc. to Implement a

Pass-Through Rate Change for Water Certificate of Convenience and Necessity No.

10348.

Domestic Water Company, Inc. (Applicant) has filed a pass-through application for Certificate of Convenience and Necessity (CCN) No. 10348, in Montgomery County, pursuant to the criteria in Texas Water Code, Chapter 13, and 16 Tex. Admin. Code §24.21.

Based on the review of the information in the application, Staff has found that the Applicant is delinquent in paying 2009 regulatory assessment fees.

Based on the technical deficiency outlined above, I recommend that the Commission find the application deficient, suspend the effective date of the increase, and require the Applicant to cure this deficiency within 30 days of the date of the order. If the deficiency remains uncured after this time period, then I recommend dismissal of the application thereafter.