



Control Number: 46637



Item Number: 123

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APPLICATION OF HILCO UNITED  
SERVICES, INC. DBA HILCO H2O FOR  
AUTHORITY TO CHANGE RATES

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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 the Staff of the Public Utility Commission (“Staff”) and Hilco United Services d/b/a Hilco H2O (“Hilco”) through their duly authorized representatives (collectively “Signatories”).

### I. BACKGROUND

On December 5, 2016, Hilco filed an application for authority to change rates. On January 18, 2017, Hilco filed an amended application. On February 14, 2017, the Administrative Law Judge (ALJ) issued Order No. 4, finding the application administratively complete. On July 6, 2017, Staff announced that the Signatories had begun the process of reaching a unanimous agreement and stipulation. 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 both the parties and the Commission and will mitigate controversy.

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 the Company's application, and agree as follows:

## **II. STIPULATION AND AGREEMENT**

- 1. Retail Water Utility Rates.** The Signatories agree that Hilco should be allowed an increase of \$118,010 to its revenue requirement.

- 2.** The Signatories further agree that this revenue requirement should result in the following base rates for the first four meter equivalents:

5/8" or 3/4"	\$ 35.00 (includes 2,000 gallons)	4"	\$ 455.00
1"	\$ 80.00		
1 1/2"	\$135.00		
2"	\$205.00		
3"	\$365.00		

And the following rate tiers:

\$3.00 per 1,000 gallons from 2,001 gallons to 10,000 gallons

\$4.00 per 1,000 gallons thereafter.

- 3. Tariff Provisions.** The Signatories agree that Hilco should be allowed to implement the other tariff provisions included in Attachment A to this Stipulation. The Signatories agree that Attachment A to this Stipulation should be the governing water utility rates, terms, treatments, and conditions for Hilco customers of the public water systems and service areas specified in Attachment A.
- 4. Rate Case Expenses.** The parties agree that the rate-case expenses relating to this rate case are to be set at \$0.
- 5. Proposed Order.** 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 in Attachment B for the Commission's adoption of and inclusion in a final order in this case implementing the terms of this Stipulation.

### **III. IMPLEMENTATION OF THE 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 the Stipulation is filed with 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. Calculation of the elements of the revenue requirement, including rate base, are not adopted.
  - 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 to its terms.
- e. 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.
- f. 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.
- g. 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.

- h. This Stipulation supersedes any prior written or oral agreement in this docket regarding the subject matter of this Stipulation.
  - i. The final resolution of this docket does not impose any conditions, obligations or limitations on Hilco's right to file a rate application and obtain rate relief in accordance with the Texas Water Code except as specifically provided in this Stipulation.
3. Except to the extent that the Stipulation expressly governs a Signatory's rights and obligations for future periods, 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.
4. **Execution.** The Signatories agree that this Stipulation may be executed in multiple counterparts and filed with facsimile or computer image signatures.

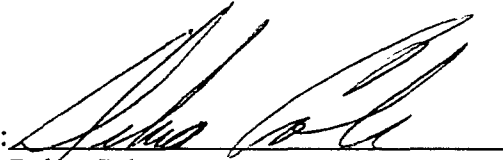
Executed as shown below:

Dated this 21st day of July, 2017.

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**ATTORNEYS FOR THE  
PUBLIC UTILITY COMMISSION OF TEXAS**

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