

Control Number: 46673



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APPLICATION OF ORBIT SYSTEMS,  
INC. FOR A PASS THROUGH RATE  
CHANGE

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PUBLIC UTILITY COMMISSION  
OF TEXAS

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PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION FINDING APPLICATION  
ADMINISTRATIVELY COMPLETE**

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 December 20, 2016, Orbit Systems, Inc. (Orbit) filed an application to implement a pass through rate increase due to an increase in fees imposed on the utility by the North Fort Bend Water Authority. The requested rate increase affects the River Ranch Subdivision. The proposed effective date for the pass-through rate increase is January 1, 2017.

On December 22, 2016, a Notice was issued requiring Staff to file a recommendation on Orbit's application, including sufficiency of notice and propose a procedural schedule by January 10, 2017. Accordingly, this pleading is timely filed.

**II. Recommendation on Administrative Sufficiency**

Orbit has requested to increase the pass-through fee in their tariff to the exact amount being charged by North Fort Bend Water Authority and to not include line loss in this fee. Orbit has not yet provided notice to affected customers. Staff has reviewed the application and notice in accordance with Tex. Water Code, Chapter 13, and 16 Tex. Admin. Code §24.21 (TAC). In its notice, Orbit includes language contained in an old version of 16 TAC §24.21, which was revised and effective as of December 4, 2016. Orbit filed its application on December 20, 2016, and its notice therefore should include language from the revised 16 TAC §24.21(b)(2)(E)(ii)(VI). Staff recommends Orbit's notice include the following language:

This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.21. The cost to you as a result of this change will not exceed the costs charged to your utility.

As supported by the attached memorandum from Ricky Herrera, Staff Engineer with the Water Utilities Division, Staff recommends that the application be deemed administratively complete and the applicant be ordered to provide revised notice. The effective date for the pass-through rate increase will be February 1, 2017.

### **III. Proposed Procedural Schedule**

Staff requests a deadline of January 20, 2017 to finalize the tariff and file a final recommendation on the application.

### **IV. Conclusion**

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

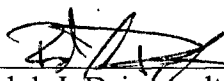
**Dated: January 10, 2017**

Respectfully Submitted,

### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

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**DOCKET NO. 46673**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on January 10, 2017, in accordance with 16 TAC § 22.74.

  
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Ralph J. Daigneault

## PUC Interoffice Memorandum

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**To:** Ralph Daigneault  
Legal Division

**Thru:** Tammy Benter, Director  
Debi Loockerman, Financial Manager  
Heidi Graham, Engineering Manager  
Water Utilities Division

**From:** Ricky Herrera, Staff Engineer  
Water Utilities Division

**Date:** January 9, 2017

**Subject:** **Tariff Control No. 46673**, *Application of Orbit Systems, Inc. for a Pass-Through Rate Change*

On December 20, 2016, Orbit Systems, Inc. (Applicant), Certificate of Convenience and Necessity (CCN) No. 11982, filed an application pursuant to 16 Tex. Admin. Code § 24.21(b)(2)(vii) (TAC) to implement a pass-through rate for changes in the Groundwater Reduction Plan Fee by the North Fort Bend Water Authority. The Applicant listed Public Water Systems (PWS) No. 079425 as the only water system affected by this pass through rate change.

Staff reviewed the application and documentation filed on December 20, 2016 and found that it is sufficient in the required information. Specifically, the Applicant has requested to increase the pass-through fee in their tariff to the exact amount being charged by North Fort Bend Water Authority and to not include line loss in this fee. Therefore, Staff recommends the application be deemed administratively complete and the applicant be ordered to provide notice. The effective date for the pass-through rate increase will be February 1, 2017.