



Control Number: 46761



Item Number: 3

Addendum StartPage: 0

APPLICATION OF J&S WATER §
COMPANY, LLC TO IMPLEMENT A §
PASS-THROUGH RATE CHANGE §
FOR WATER CERTIFICATE OF §
CONVENIENCE AND NECESSITY §
CCN NO. 12085 §
§

PUBLIC UTILITY COMMISSION
OF TEXAS

RECEIVED
2017 FEB -2 AM 10:20
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION STAFF'S SUFFICIENCY RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Sufficiency Recommendation in response to the Notice Setting Deadline for Staff's Recommendation. In support thereof, Staff would show the following:

I. Background

On January 12, 2017, J&S Water Company, LLC (J&S), holder of Certificate of Convenience and Necessity (CCN) No. 12085, filed an application to implement a pass-through rate increase due to an increase in the water use fees imposed on the utility by the North Harris County Regional Water Authority. The rate increase will affect the Five Oaks subdivision, public water supply (PWS) #1011496, the Maple Leaf Gardens subdivision, PWS #1011493, and the Oakland Village subdivision, PWS #1010049. The requested effective date for the pass-through rate change is March 1, 2017.

On January 17, 2017, the Administrative Law Judge (ALJ) issued the Notice Setting Deadline for Staff's Recommendation, requiring Staff to file a recommendation on J&S's application, including sufficiency of notice and a proposed procedural schedule by February 2, 2017. Therefore, this pleading is timely filed.

II. Staff's Recommendation on Sufficiency and Notice

Staff has reviewed J&S's application, and in accordance with Tex. Water Code, Chapter 13, and 16 Tex. Admin. Code §24.21 (TAC), and as supported by the attached memorandum of Jonathan Ramirez of the Commission's Water Utility Regulation Division, Staff recommends that the application be deemed administratively incomplete and deficient. A utility that wishes to implement a pass-through provision must submit historical documentation of line loss for one

year¹ and a copy of the pages of the tariff that contain the rates that will change if the application is approved.² Additionally, the utility must submit a notice to their customers that contains a present calculation of billings³ and mandatory language⁴ informing the customers of the rule that authorizes the tariff change.

III. Proposed Procedural Schedule

Due to the deficiencies in the application, Staff does not recommend a procedural schedule for evaluation of the merits at this time. Pursuant to 16 TAC § 24.8(a), applications are not considered filed with the Commission until a determination of administrative completeness is made. Therefore, the Application is not considered filed at this time.

IV. Conclusion

Staff respectfully requests that the ALJ issue an order consistent with this Recommendation.

¹ *Id.* at § 24.21(b)(2)(E)(i)(V).

² *Id.* at § 24.21(b)(2)(E)(i)(VIII).

³ *Id.* at § 24.21(b)(2)(E)(ii)(II).

⁴ *Id.* at § 24.21(b)(2)(E)(i)(VI).

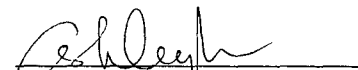
DATED: February 2, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

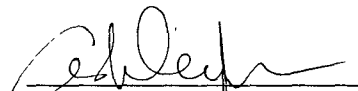


Ashley Nwonuma
State Bar No. 24096650
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7163
(512) 936-7268 (facsimile)
ashley.nwonuma@puc.texas.gov

DOCKET NO. 46761

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 2, 2017, in accordance with 16 TAC § 22.74.


Ashley Nwonuma

PUC Interoffice Memorandum

To: Ashley Nwonuma, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Heidi Graham, Technical Manager
Water Utility Regulation Division

From: Jonathan Ramirez, Financial Analyst
Water Utilities Division

Date: January 27, 2017

Subject: **Tariff Control No. 46761:** *Application of J&S Water Company, LLC for a Pass-Through Rate Change*

On January 12, 2017, J&S Water Company, LLC (Applicant) Certificate of Convenience and Necessity (CCN) No. 12085, 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 water usage fee imposed on the utility by the North Harris County Regional Water Authority. The rate increase will affect the Five Oaks Subdivision, Public Water Supply (PWS) No. 1011496, the Maple Leaf Gardens subdivision, PWS No. 1011493, and the Oakland Village subdivision, PWS No. 1010049. The requested effective date for the pass-through rate change is March 1, 2017.

Staff reviewed the application and documentation filed on January 12, 2017 and found that the required information has not been submitted by the Applicant. Furthermore, J&S's notice also included language in an old version of 16 TAC §24.21, which was revised and effective as of December 4, 2016. J&S filed their application on January 17, 2017, and its notice must include language from the revised §24.21(b)(2)(E)(ii)(VI) as follows:

- “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.”

Therefore, Staff recommends that the application be deemed administratively incomplete and insufficient for filing. In order to continue the application, Staff recommends that the Applicant complete the following:

- File a copy of the monthly breakdown of water pumped and sold or the current year water usage report used in the Applicant's calculations,
- File a copy of the first five pages of the Applicant's currently approved tariff, and
- Provide notice to customers including the present calculations of billings and the language required by TAC §24.21.