



Control Number: 46842



Item Number: 3

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APPLICATION OF THE COMMONS §
WATER SUPPLY, INC. TO §
IMPLEMENT A PASS-THROUGH §
RATE CHANGE §
§
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§

PUBLIC UTILITY

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PUBLIC UTILITY COMMISSION
OF TEXAS
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 Notice Setting Deadline for Staff's Recommendation. In support thereof, Staff would show the following:

I. Background

On February 8, 2017, The Commons Water Supply, Inc. (The Commons), holder of Certificate of Convenience and Necessity (CCN) No. 12781, filed an application to implement a pass-through rate increase due to an increase in water use fees imposed on the utility by the City of Houston. The rate increase will affect The Commons of Lake Houston subdivision, Public Water Supply (PWS) No. 1012978. The requested effective date for the pass-through rate change is February 26, 2017.

On February 9, 2017, the Administrative Law Judge (ALJ) issued the Notice Setting Deadline for Staff's Recommendation, requiring Staff to file a recommendation on The Commons's application, including sufficiency of notice and a proposed procedural schedule by March 1, 2017. Therefore this pleading is timely filed.

II. Staff's Recommendation on Sufficiency and Notice

Staff has reviewed The Commons'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 and notice be deemed administratively incomplete and deficient. The notice sent by The Commons to customers included the incorrect PWS No. 1010111, and should be PWS No. 1012978. Accordingly, Staff recommends that approval of

The Commons's application be delayed until The Commons sends errata notice to customers and file a copy of the notice with the Commission.

III. Proposed Procedural Schedule

Staff recommends that the application be deemed administratively incomplete. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Applicant to file a copy of the notice sent to customers with the Commission	March 17, 2017
Deadline for Staff to file a recommendation on sufficiency of the application	Within 10 days of Applicant filing proof of completed notice with the Commission

IV. Conclusion

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

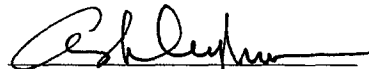
DATED: March 1, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

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DOCKET NO. 46842

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 1st of March, 2017, in accordance with 16 TAC § 22.74.



Ashley Nwonuma

PUC Interoffice Memorandum

To: Ashley Nwonuma, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Water Utilities Division

From: Jonathan Ramirez, Financial Analyst
Water Utilities Division

Date: March 1, 2017

Subject: **Tariff Control No. 46842;** *Application of The Commons Water Supply, Inc. to Implement a Pass-Through Rate Change*

On February 8, 2017, The Commons Water Supply, Inc. requested approval to implement a pass-through rate increase due to increases in the water use fees imposed on the utility by the city of Houston. The Commons of Lake Houston, public water system (PWS) No. #1012978 is the subdivision and water system affected by the pass-through rate increase. It is important to note that on the notice is the incorrect PWS No. #1010111, and should be PWS No. #1012978. The proposed effective date for the rate increase is February 26, 2017.

The applicant proposed to increase the purchased water pass through rate fee from \$0.71 to \$0.89 per 1,000 gallons of water usage. Staff confirmed that the City of Houston has increased its rates using the documents provided with the application. Substantially complete notice by the Applicant with the incorrect PWS number was provided to the customers pursuant to 16 Tex. Admin. Code § 24.21 (b)(2)(E) prior to February 9, 2017, according to the application.

Based upon review of the information submitted, Staff finds that the application is insufficient and recommends that:

1. the application is insufficient for filing;
2. approval of the pass-through application be delayed for two weeks until errata notice is provided to customers; and
3. the Applicant provide a copy of the errata corrected notice provided to customers including the correct public water system within two weeks.