



Control Number: 46850



Item Number: 4

Addendum StartPage: 0

TARIFF CONTROL NO. 46850

**TARIFF FILING OF COMMUNITY §
COMPANY FOR PURCHASED §
WATER ADJUSTMENT, PURSUANT §
TO PUC SUBST. R. §24.21(h)(4)¹ §
§
§
§
§**

PUBLIC UTILITY COMMISSION

OF TEXAS

**RECEIVED
2017 MAR -7 PM 12:04
PUBLIC UTILITY COMMISSION
FILING CLERK**

COMMISSION STAFF'S AMENDED RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this recommendation and would show the following:

I. Background

On February 13, 2017, Community Water Company (Community) filed an application to implement a pass-through rate change in its tariff under Water Certificate of Convenience and Necessity (CCN) No. 10534. Community seeks to implement the pass-through provision as a result of an increase in rates charged by the City of Ennis for purchased wholesale water. The rate increase will affect customers located inside and outside the city. The requested effective date for the pass-through rate change is March 20, 2017.

On February 14, 2017, the Administrative Law Judge (ALJ) issued the Notice Setting Deadline for Staff's Recommendation, requiring Staff to file a recommendation on Community application, including sufficiency of notice, and a propose a procedural schedule by March 6, 2017. On March 6, 2017, Staff filed its recommendation, but inadvertently omitted the memorandum from Jonathan Ramirez of the Water Utilities Division, and now files this amended recommendation to include the memorandum.

II. Staff's Recommendation on Sufficiency and Notice

The implementation of a purchased water provision qualifies as a minor tariff change.² Pursuant to 16 Texas Admin. Code § 24.21(b)(2) (TAC), if a utility wishes to revise billings to its customers pursuant to an approved purchased water treatment or water use fee provision to

¹ While Community refers to 16 Tex. Admin. Code § 24.21(h)(4) in its application, the rule has since been amended, and the applicable rule is now § 24.21(b)(2)(E).

² 16 TAC § 24.21(b)(2)(B).

allow for the recovery of additional costs, then prior to the beginning of the billing period in which the revision takes effect, the utility must submit written notice to the Commission, and give proper notice to the affected customers.

Staff has reviewed Community's application and, as supported by the attached memorandum of Jonathan Ramirez of the Water Utilities Division, Staff recommends that the application be found administratively complete, but that Staff's final recommendation be delayed until March 20, 2017. Community's application lacks the supporting documentation of line loss to support its decrease in rates. Therefore, to address this concern Staff recommends that Community be authorized to collect the pass-through rates as of the proposed March 20, 2017 effective date, but also that Community required to file a copy of either the monthly breakdown of water pumped and sold or the current year water usage report by March 14, 2017.

III. Conclusion

For the reasons stated above, Staff respectfully requests than an order consistent with the above recommendation.

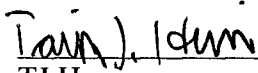
Dated: March 7, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

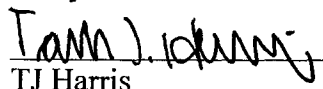


TJ Harris
State Bar No. 24097804
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7216
(512) 936-7268 (facsimile)
TJ.Harris@puc.texas.gov

TARIFF CONTROL NO. 46850

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 7, 2017 in accordance with 16 TAC § 22.74.



TJ Harris

PUC Interoffice Memorandum

To: TJ Harris, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Water Utilities Division

From: Jonathan Ramirez, Financial Analyst
Water Utilities Division

Date: March 3, 2017

Subject: **Tariff Control No. 46850;** *Application of Community Water Company for a Pass-Through Rate Change*

On February 13, 2017, Community Water Company requested approval to decrease its pass-through fee due to the City of Ennis decreasing their rates for purchased wholesale water. The rate decrease will affect Community's customers that reside inside and outside the City of Garrett. For inside city customers, the rate will decrease by \$1.83 per 1,000 gallons from \$8.19 to \$6.36. For outside city customers, the rate will decrease by \$1.83 per 1,000 gallons from \$8.34 to \$6.51. The Community Water Company requested a March 20, 2017 effective date for the rate decrease.

Based upon a review of the information filed by Community Water Company for a request for pass through rate application, Staff recommends that the Commission find that the application is sufficient.

Staff would like to acknowledge, however, that there is one piece of information missing from the Community Water Company's application. Staff recommends that the Commission order Community Water to provide a copy of the monthly breakdown of water pumped and sold or the current year water usage report used in the Applicant's calculation. Because the calculations provided by Community Water indicate a decrease in the current pass through, Staff recommends Community Water implement the new rates as of March 20, 2017, but that the application approval be delayed two weeks so that Community Water can address their missing information.