



Control Number: 46880



Item Number: 3

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TARIFF CONTROL NO. 46880

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APPLICATION OF CHAMP'S  
WATER COMPANY FOR A PASS-  
THROUGH RATE CHANGE

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PUBLIC UTILITY COMMISSION  
OF TEXAS  
PUBLIC UTILITY COMMISSION  
FILING CLERK

COMMISSION STAFF'S 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 22, 2017, Champ's Water Company (Champ's) filed an application to implement a pass-through rate change in its tariff under Water Certificate of Convenience and Necessity (CCN) No. 10972. Champ's seeks to implement the pass-through provision as a result of an increase in rates charged by the City of Houston for treated water service. The rate increase will affect customers located inside and outside the city. The requested effective date for the pass-through rate change is February 22, 2017.

On February 24, 2017, the Administrative Law Judge (ALJ) issued the Notice Setting Deadline for Staff's Recommendation, requiring Staff to file a recommendation on Champ's application, including sufficiency of notice, and a propose a procedural schedule by March 15, 2017. This pleading is therefore timely filed.

II. Deficiency Recommendation

The implementation of a pass-through rate provision qualifies as a minor tariff change.<sup>1</sup> 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 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.

<sup>1</sup> 16 TAC § 24.21(b)(2)(B).

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Staff has reviewed Champ'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 incomplete. Champ's has not submitted the required documentation and must file a copy of the monthly breakdown of the water pumped and sold for the current year and a copy of the first five pages of Champ's currently approved tariff. Staff recommends suspension of the rates until Champ's has submitted the required documents.

Staff recommends that Champ's be given until April 14, 2017 to cure its application and that Staff be given until May 5, 2017 to file a supplemental recommendation.

### **III. Conclusion**

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

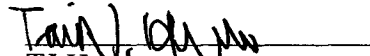
Dated: March 14, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

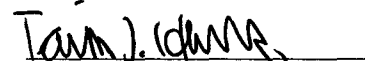
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**TARIFF CONTROL NO. 46880**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on March 14, 2017 in accordance with 16 TAC § 22.74.

  
TJ Harris

## PUC Interoffice Memorandum

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**To:** TJ Harris, Attorney  
Legal Division

**Thru:** Debi Loockerman, Financial Manager  
Water Utilities Division

**From:** Jonathan Ramirez, Financial Analyst  
Water Utilities Division

**Date:** March 13, 2017

**Subject:** **Tariff Control No. 46880; Application of Champ's Water Company for a Pass-Through Rate Change**

On February 22, 2017, Champ's Water Company filed an application to implement a pass-through rate increase due to increases in water use fees imposed on the utility by the City of Houston. The requested effective date for the pass-through rate change is February 22, 2017.

Staff reviewed the application and documentation filed on February 22, 2017 and found that the required information has not been submitted by the Applicant. Therefore, Staff recommends that the application be deemed administratively incomplete and insufficient for filing. Staff recommends suspension of the rates until 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, and
- File a copy of the first five pages of the Applicant's currently approved tariff.