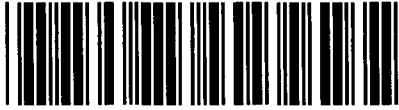




Control Number: 47058



Item Number: 10

Addendum StartPage: 0

RATEPAYERS' APPEAL OF THE
DECISION BY THE SAN PATRICIO
COUNTY MUNICIPAL UTILITY
DISTRICT NO. 1 TO CHANGE
RATES

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PUBLIC UTILITY COMMISSION

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OF TEXAS
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COMMISSION STAFF'S LIST OF ISSUES

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this List of Issues in response to Order No. 1. In support thereof, Staff would show the following:

I. BACKGROUND

On April 12, 2017, ratepayers of the San Patricio Municipal Utility District No. 1 (San Patricio MUD) appealed the decision of the San Patricio MUD to change the water and sewer rates of a recreational vehicle (RV) park that they own, pursuant to the Texas Water Code (TWC) § 13.043 and 16 Tex. Admin. Code § 24.41 (TAC). Specifically, the ratepayers appealed the decision to charge the RV park per trailer pad rather than per connection. In the petition, the ratepayers indicated that they had received a revised bill with the new rates, effective on March 17, 2017. On May 31, 2017, the administrative law judge issued an Order of Referral, which referred this docket to the State Office of Administrative Hearings and set June 13, 2017 as the deadline for Staff and any other interest party to file a list of issues to be addressed in the docket.

II. PROPOSED LIST OF ISSUES

1. Did the petition appealing the rate change by San Patricio MUD follow the requirements of Texas Water Code¹ (TWC) § 13.043(b), (c), and (d); 16 Texas Administrative Code (TAC) § 24.41(b), (c), and (d); and 16 TAC § 24.42(a) and (b)?
 - a. Was the petition filed within 90 days after the effective date of the rate change?
 - b. What number of ratepayers had their rates changed?

¹ TWC § 13.043(b), (c), and (d) (West 2008 & Supp. 2016).

- c. Did the lesser of 10,000 or 10% of those ratepayers whose rates had been changed file valid protests to San Patricio MUD's rate change?
2. Considering only the information available to the governing body, what are the just and reasonable rates for San Patricio MUD that are sufficient, equitable, and consistent in application to each customer class and that are not unreasonably preferential, prejudicial, or discriminatory?
 - a. What is the appropriate methodology to determine just and reasonable rates for San Patricio MUD?
 - b. What is the revenue requirement that would give San Patricio MUD sufficient funds to provide adequate retail water service?
 - c. What is the appropriate allocation of the revenue to customer classes?
 - d. What is the appropriate design of rates for each class to recover San Patricio MUD's revenue requirement?
3. Should the Commission establish or approve interim rates to be in effect until a final decision is made?
4. What are the reasonable expenses incurred by San Patricio MUD in this proceeding under TWC § 13.043(e)?
 - a. Should the Commission allow recovery of these reasonable expenses?
 - b. If so, what is the appropriate recovery mechanism?
5. What is the appropriate effective date of the rates fixed by the Commission in this proceeding?
6. If the Commission establishes rates different than the rates set by San Patricio MUD, should the Commission order refunds or allow surcharges to recover lost revenues? If so, what is the appropriate amount and over what time period should the refund or surcharge be in place?

III. CONCLUSION

Staff respectfully requests the Commission issue a preliminary order including the above issues to be addressed and excluding the issues not to be addressed.

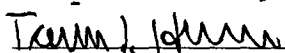
Date: June 13, 2017

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



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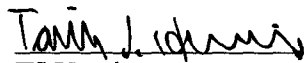
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DOCKET NO. 47058

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 13, 2017, in accordance with 16 TAC § 22.74.



TJ Harris