



Control Number: 47091



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APPLICATION OF TEXAS WATER  
SYSTEMS, INC. FOR AUTHORITY TO  
CHANGE RATES

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RECEIVED  
PUBLIC UTILITY COMMISSION  
2017 MAY 22 11:25 AM  
OF TEXAS COMMISSION  
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**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE  
COMPLETENESS**

Comes now the Staff (“Staff”) of the Public Utility Commission of Texas (“Commission”), representing the public interest, and files its Recommendation on Administrative Completeness in response to Order No. 1. In support thereof, Staff would show the following:

**I. Background**

On April 21, 2017, Texas Water Systems, Inc. (“TWS” or “Applicant”) filed an application for a rate/tariff change. The proposed effective date of the proposed increase is July 1, 2017. On April 25, 2017, the Administrative Law Judge (the “ALJ”) issued Order No. 1, requiring Staff to file a recommendation on administrative completeness and notice by May 22, 2017. This pleading is therefore timely filed.

**II. Staff’s Recommendation**

Staff has reviewed TWS’s application and, and as detailed by the attached memorandum from Sean Scaff, Janie Kohl, and Jonathon Ramirez of the Water Utilities Division, Staff recommends that the application be deemed insufficient for filing and, therefore, administratively incomplete. Staff identified the deficiencies detailed below – in short, the application was incomplete – and recommends that TWS cure these deficiencies by submitting supplemental information:

- Complete the following sections of the application. If the particular section does not apply, please state so and explain why:
  - II-10 Other plant maintenance
  - II-17 Regulatory Expense
  - III-4 Average construction work in progress, materials and supplies inventory & prepayments
  - III-6 Long term debt / notes payable
  - III-9 Deferred Income Taxes and deferred investment tax credits
  - III-10 Other deferred assets

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- IV (b) Revenue related taxes and expenses
- V Schedule of effective federal tax rate
- File a completed notice of proposed rate change that has been provided to customers, including:
  - The affidavit that notice was completed,
  - Billing comparisons,
  - Information on how to protest the rate increase, and
  - The calculation sheet for the notice of proposed rate change.
- File the most recently approved tariff containing the currently approved rates and fee schedule.

Also, pursuant to Texas Water Code § 13.1871(e), Staff requests that the effective date of the proposed rates of July 1, 2017, be suspended until at least the application is found administratively complete. Staff will include in its supplemental recommendation on completeness a request to either extend the suspension for the entire permitted period or otherwise establish a new effective date.

### **III. Proposed Procedural Schedule**

Because the application is insufficient for filing, Staff does not recommend a procedural schedule for the evaluation of the merits of the application at this time. Staff recommends that TWS be given a deadline of June 22, 2017, by which to submit the curative information, and that Staff be given until July 7, 2017, to review the amended application and file another recommendation on administrative completeness.

### **IV. Conclusion**

Staff respectfully requests issuance of an order consistent with the above recommendation.

Dated: May 22, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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Division Director

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**DOCKET NO. 47091**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on May 22, 2017, in accordance with 16 TAC § 22.74.



Michael Crnich

## PUC Interoffice Memorandum

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**To:** Michael Crnich, Attorney  
Legal Division

**Through:** Debi Loockerman, Manager  
Water Utilities Division

**From:** Sean Scaff, Engineering Specialist  
Janie Kohl, Financial Analyst  
Jonathan Ramirez, Financial Analyst  
Water Utilities Division

**Date:** May 16, 2017

**Subject:** **Docket No. 47091:** *Application of Texas Water Systems, Inc. for Authority to change rates*

On April 25, 2017, Texas Water Systems, Inc. filed an application with the Public Utilities Commission (PUC) for a rate/tariff change under Certificate of Convenience and Necessity Nos. 12473 (CCN) in Upshur County. An administrative review of the application and notice has been made pursuant to Tex. Water Code §§ 13.13871 (TWC) and 16 Tex. Admin. Code §§ 24.21 through 24.26 (TAC).

Based on a review of the information in the application, Staff recommends that the application be deemed insufficient for filing and found administratively incomplete due to the deficiencies detailed below.

- Applicant did not complete the application. Please complete the following sections of the application. If they do not apply, please state so and explain why:
  - II-10 Other plant maintenance
  - II-17 Regulatory Expense
  - III-4 Average construction work in progress, materials and supplies inventory & prepayments
  - III-6 Long term debt/ notes payable
  - III-9 Deferred Income Taxes and deferred investment tax credits
  - III-10 Other deferred assets
  - IV (b) Revenue related taxes and expenses
  - V Schedule of effective federal tax rate
  
- The applicant needs to file a completed notice of proposed rate change to be provided to customers including:
  - the affidavit,
  - billing comparisons,
  - information on how to protest the rate increase, and
  - the notice of proposed rate change calculation sheet
  
- The applicant needs to file their most recently approved tariff with their currently approved rates and fee schedule.