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DOCKET NO. 47091

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

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PUBLIC UTILITY COMMISSION
OF TEXAS

JOINT MOTION TO ADMIT EVIDENCE AND PROPOSED NOTICE OF APPROVAL

COME NOW, the Staff (Staff) of the Public Utility Commission of Texas (Commission), and Texas Water Systems, Inc. (Texas Water), and files this Joint Motion to Admit Evidence and Proposed Notice of Approval.

I. REQUEST TO ADMIT EVIDENCE

Staff and Texas Water jointly request to admit the following evidence into the record of this proceeding:

- A. Application of Texas Water for Rate/Tariff Change and all attachments thereto, filed April 21, 2017;
- B. Texas Water's Response to Staff's First Request for Information to Texas Water, filed June 20, 2017 and June 23, 2107;
- C. Texas Water's Response to Staff's Recommendation on Administrative Completeness, filed June 23, 2017;
- D. Texas Water's Response to Staff's Supplemental Recommendation on Administrative Completeness, filed June 23, 2017;
- E. Texas Water's Response to Commission Staff's Second Request for Information, filed July 13, 2017;
- F. Notice documents from Texas Water, filed July 26, 2017;
- G. Order No. 4 Finding Application and Notice Complete and Sufficient, filed August 9, 2107; and
- H. Staff's Final Recommendation and attachments thereto, including the tariff, filed October 17, 2017.

II. PROPOSED NOTICE OF APPROVAL

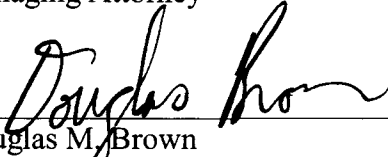
Staff and Texas Water request that the Commission issue a notice of approval in the form of the attached Joint Proposed Notice of Approval.

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

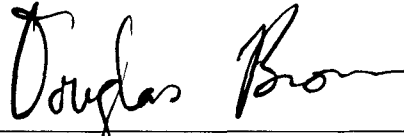
A handwritten signature in black ink, appearing to read "Douglas Brown", is written over a horizontal line.

Douglas M. Brown
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 23, 2107 in accordance with 16 TAC § 22.74.

A handwritten signature in black ink, appearing to read "Douglas Brown", written over a horizontal line.

Douglas M. Brown

DOCKET NO. 47091

APPLICATION OF TEXAS WATER	§	PUBLIC UTILITY COMMISSION
SYSTEMS, INC. FOR AUTHORITY TO	§	
CHANGE RATES	§	OF TEXAS
	§	

JOINT PROPOSED NOTICE OF APPROVAL

This Joint Proposed Notice of Approval addresses the application (Application) of Texas Water Systems, Inc. (Texas Water) for its rate/tariff change in Upshur County, Texas for sewer Certificate of Convenience and Necessity No. 12473 pursuant to Tex. Water Code § 13.1871 (TWC). This docket was processed in accordance with applicable statutes and Commission rules. Notice of Application was provided to interested parties. There are no contested issues of law or fact in this proceeding. On October 17, 2017, Staff filed a memorandum recommending approval of the Application. Based on Texas Water's Application and on the Commission Staff's memorandum recommending approval of this Application, the Application is approved.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Procedural History

1. On April 21, 2017, Texas Water filed an Application with the Commission pursuant to TWC § 13.1871 to change its rates.
2. Texas Water holds Certificate of Convenience and Necessity (CCN) No. 12473.
3. On April 25, 2017, the Administrative Law Judge (ALJ) issued Order No. 1 requiring comments on administrative completeness and addressing other procedural matters. Order No. 1 set a deadline of May 22, 2017, for Staff to make a determination regarding the administrative completeness of the Application and notice, pursuant to 16 Tex. Admin. Code § 24.8(a) (TAC), and requiring that Texas Water and Commission Staff propose a procedural schedule.
4. On May 22, 2017, Staff filed a Recommendation Regarding Administrative Completeness recommending that the ALJ find the Application administratively incomplete.

5. On May 24, 2017, the ALJ issued Order No. 2 deeming the Application incomplete and requiring Texas Water to amend its Application.
6. On June 23, 2017, Texas Water filed a Response to Commission Staff's Recommendation on Administrative Completeness.
7. On July 7, 2017, Staff filed a Supplemental Recommendation Regarding Administrative Completeness, recommending that the ALJ find the Application administratively incomplete.
8. On July 10, 2017, the ALJ issued Order No. 3 deeming the Application incomplete and requiring the Texas Water to amend its Application.
9. On July 13, 2017, Texas Water filed a Response to Commission Staff's Supplemental Recommendation on Administrative Completeness.
10. On July 26, 2017, Texas Water filed notice documents.
11. Fifty-six protests (6.6%) out of 842 connections were received by the ratepayers affected by this water rate/tariff change.
12. On August 4, 2016, Staff filed a recommendation to the ALJ recommending Texas Water's Application and notice be deemed administratively complete.
13. On August 9, 2017, the ALJ issued Order No. 4, finding the Application and notice administratively complete.
14. On October 17, 2017, Staff issued a Final Recommendation in which Commission Staff recommended that the Application to change rates and the proposed tariff be approved.
15. On October 23, 2017, Commission Staff and Texas Water filed a Joint Motion to Admit Evidence and Proposed Notice of Approval, including finding of fact, conclusion of law and ordering paragraphs.
16. On October ___, 2017, the ALJ issued and order admitting the following evidence into the record of this proceeding: Application of Texas Water for Rate/Tariff Change and all attachments thereto, filed April 21, 2017; Texas Water's Response to Commission Staff's First Request for Information to Texas Water, filed June 20, 2017 and June 23, 2107; Texas Water's Response to Commission Staff's Recommendation on Administrative

Completeness, filed June 23, 2017; Texas Water's Response to Commission Staff's Supplemental Recommendation on Administrative Completeness, filed June 23, 2017; Texas Water's Response to Commission Staff's Second Request for Information, filed July 13, 2017; Notice documents from Texas Water, filed July 26, 2017; Order No. 4 Finding Application and Notice Complete and Sufficient, filed August 9, 2107; and Commission Staff's Final Recommendation and attachments thereto, including the tariff, filed October 17, 2017.

Proposed Rate Increase

17. The rates requested by the Texas Water produce total revenues of approximately \$629,748. The current rates compare to the new rates as follows:

Minimum Bill includes 0 Gallons			Gallonage Rate
<u>Meter Size</u>	<u>Rates</u>		\$ 3.00 per 1,000 gallons
5/8" x 3/4"	\$ 42.00		
3/4"	\$ 63.00		
1"	\$ 104.00		
1 1/2"	\$ 205.00		
2"	\$ 325.00		

18. Texas Water's proposed rates, as laid out in the tariff, are just and reasonable.
19. Texas Water's proposed rates permit the utility a reasonable opportunity to earn a reasonable return on invested capital and to preserve the financial integrity of the utility.

II. Conclusions of Law

1. Texas Water is a retail public utility as defined in 16 TAC § 24.3(41) and TWC § 13.002(19).
2. The Commission has jurisdiction over these matters pursuant to TWC §§ 13.041 and 13.181.
3. TWC § 13.1871(k) states that the regulatory authority may set the matter for hearing on its own motion at any time within 120 days after the effective date of the rate change. No

hearing is required. Hearing requests filed in this docket do not satisfy the 10% or 1,000 ratepayer requirement of TWC § 13.1871(i).

4. The rates approved herein are consistent with the requirements of TWC §§ 13.182 and 13.183.
5. Texas Water provided notice consistent with 16 TAC § 24.22.
6. This docket contains no remaining contested issues of fact or law.
7. The requirements for informal disposition pursuant to 16 TAC § 22.35 have been met in this proceeding.
8. This docket was processed in accordance with the requirements of the Texas Water Code and Commission rules.

III. Ordering Paragraphs

In accordance with these findings of facts and conclusions of law, the Commission issues the following Order:

1. Texas Water's Application to change rates is approved. The tariff implementing the approved rates is attached to this order.
2. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the _____ day of October, 2017.

PUBLIC UTILITY COMMISSION OF TEXAS

JEFFERY J. HUHN
ADMINISTRATIVE LAW JUDGE