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**PUC DOCKET NO. 47161  
SOAH DOCKET NO. 473-18-1228.WS**



<b>APPLICATION OF KERR COUNTY</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER SYSTEMS, LLC FOR</b>	<b>§</b>	
<b>AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>

**ORDER NO. 6  
REQUIRING THE FILING OF NEW EVIDENCE**

The administrative law judge (ALJ) is concerned that the evidentiary record in this case has become hopelessly confused. Some of the relevant history of this case can be summarized as follows:

- The application was filed on May 11, 2017.
- On December 14, 2018, the parties—Commission Staff and Kerr County Water Systems, LLC—entered into a unanimous stipulation and settlement agreement (the agreement).
- In a July 17, 2019 memo, Chairman Walker identified a number of discrepancies between Commission Staff’s January 16, 2019 memorandum supporting the agreement and the agreement itself.
- In a July 19, 2019 Order Requesting Information, the Commission directed the parties to provide supplemental information and clarify the discrepancies.
- On March 5, 2020, after a number of requested extensions of the deadline, Commission Staff responded by filing a report containing requested information, and attached memos from Leila Guerrero, Jolie Mathis, and Heidi Graham.
- In the March 5, 2020 report, Commission Staff asked that the “amended stipulation” be found to be in the public interest, and Ms. Guerrero stated “the revenue requirement included in Staff’s memorandum has changed as a result of the amended agreement filed in conjunction with these memos,” but the ALJ can find no record of an amended agreement and one was not filed in conjunction with the March 5, 2020 report.
- In a March 24, 2020 memo, Chairman Walker identified a number of discrepancies in the March 5, 2020 Commission Staff report, including the absence of an amended agreement.

- In a May 18, 2020 response to Order No. 4, Commission Staff responded to Chairman Walker's March 24, 2020 memo. Staff admitted that one version of attachment LG-1 that was attached to the March 5 report should not have been, and the other version of attachment LG-1 that was attached to the March 5 report contained errors. Commission Staff also retracted Ms. Guerrero's memo and attached a new memo from Debi Loockerman and a new version of attachment LG-1.
- In the May 18, 2020 response, Commission Staff simultaneously advocated a net revenue requirement of \$72,942, conceded this amount is different from the net revenue requirement of \$71,624 in the agreement, maintained that the agreement filed on January 16, 2019 "is still the current agreement" and that it has not been amended, but then maintained that the agreement has been "amended" by the memos from Ms. Loockerman, Ms. Mathis, and Ms. Graham. (Among other problems, it is unclear to the ALJ how memos from Commission Staff employees can amend a contract between Commission Staff and a third party.)
- On June 24, 2020, Commission Staff notified the ALJ that its May 18, 2020 joint response and the memo by Ms. Loockerman attached thereto (which itself had been filed for the purpose of replacing an erroneous memo previously filed by Ms. Guerrero on March 5, 2020) contained errors. Commission Staff asked that "the pleading and memorandum be read as if the number had been correctly typed."

The ALJ is concerned that the existing evidentiary record of this case includes erroneous and contradictory information, and that proceeding forward with the current record would likely result in yet another remand from the Commission. The ALJ has concluded that the best course of action is to strike all exhibits previously admitted (except for the application and the agreement filed on December 14, 2018) and require the parties to move for admission of a new, complete, and error-free set of exhibits (including an amended agreement, if necessary) needed to support a final order in this matter. Accordingly, that parties are ordered to, by August 13, 2020, file and move for admission of a complete set of exhibits to support issuance of a final order in this matter.

Signed at Austin, Texas the 23rd day of July 2020.

PUBLIC UTILITY COMMISSION OF TEXAS

  
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HUNTER BURKHALTER  
CHIEF ADMINISTRATIVE LAW JUDGE

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