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**DeAnn T. Walker**  
Chairman

**Brandy Marty Marquez**  
Commissioner

**Arthur C. D'Andrea**  
Commissioner



**Greg Abbott**  
Governor

2018 MAR -8 PM 2:49

PUBLIC FILING CLERK

## ***Public Utility Commission of Texas***

**TO:** DeAnn T. Walker, Chairman  
Brandy Marty Marquez, Commissioner  
Arthur C. D'Andrea, Commissioner

All Parties of Record

**FROM:** Jeffrey Huhn <sup>SSA</sup>  
Administrative Law Judge

**RE:** **Open Meeting of March 29, 2018**  
Docket No. 47473 – *Application of Manvel Utilities, LP for Class C Water Utility Request for a Price Rate Adjustment*

**DATE:** March 8, 2018

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission is currently scheduled to consider this docket at an open meeting to begin at 9:30 a.m. on Thursday, March 29, 2018, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties shall file corrections or exceptions to the Proposed Order on or before Wednesday, March 21, 2018.

**If there are no corrections or exceptions, no response is necessary.**

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**DOCKET NO. 47473**

**APPLICATION OF MANVEL  
UTILITIES, LP FOR CLASS C WATER  
UTILITY REQUEST FOR A PRICE  
RATE ADJUSTMENT**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**PROPOSED ORDER**

This Order addresses Manvel Utilities, LP's application for a price index rate adjustment. Commission Staff recommended that the application be denied. The application is denied.

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

**I. Background**

Manvel holds water certificate of convenience and necessity (CCN) No. 12924 and sewer CCN No. 20871 and owns a public water and sewer system in Brazoria County. Manvel has 286 current active sewer connections in Oak Crest of Manvel. Under 16 Texas Administrative Code (TAC) § 24.36(f), relating to time between filings, Manvel may apply to adjust its water rates in March because its water CCN ends in 24 and sewer rates in August because its sewer CCN ends in 71.

In accordance with the schedule in 16 TAC § 24.36(f), Manvel filed an application on August 4, 2017, to adjust sewer rates under CCN No. 20871. Manvel stated the rates were last adjusted in June 2009. On September 5, 2017, Commission Staff filed comments stating that because Manvel filed for a water rate adjustment under CCN No. 12924 in March of 2017 and was approved in May 2017,<sup>1</sup> Texas Water Code<sup>2</sup> § 13.1872(f) and 16 TAC § 24.36(f)(1) render Manvel ineligible for another Class C rate adjustment.<sup>3</sup> Commission Staff recommended denial of the application.

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<sup>1</sup> *Application of Manvel Utilities, LP for a Price Index Rate Adjustment*, Docket No. 46965, Notice of Approval (May 5, 2017).

<sup>2</sup> Tex. Water Code Ann. § 13.1872(f) (West 2008 & Supp. 2017).

<sup>3</sup> Commission Staff's Recommendation on Administrative Completeness and Recommendation on Final Disposition at 2, (Sep. 5, 2017).

Manvel filed a response to Commission Staff's comments stating that it was not clear in the instructions and previous Commission form that a utility could request a price rate adjustment for both water and sewer rates on one form if the last two digits of the CCN numbers were different and the chart dictated a different month to file each. While it was Manvel's preference to file the application for both water and sewer price rate adjustment, the instructions appeared to be very clear that each CCN number would dictate when the application could be filed. When the water application was filed, the Commission had not updated the website with the 2017 application or instructions for the 2017 application. Thus, Manvel filed the water application assigned Docket No. 46965 using the previous online application and instructions. Manvel asserted that if the instructions had indicated that both utilities could be included on the same application that is what they would have done. Manvel stated they would have just added two numbers to the original application filed in March 2017. Manvel requested that the application for sewer utility rate adjustment be approved despite Commission Staff's recommendation for denial.<sup>4</sup>

## II. Findings of Fact

### Procedural History

1. On August 4, 2017, Manvel filed an application for a price rate index adjustment. Manvel proposed November 12, 2017 as the effective date for the rate increase, which affects sewer rates for the Oak Crest of Manvel subdivision.
2. On September 5, 2017, Commission Staff recommended that the application be found administratively complete, however, Staff recommended the application be denied under Texas Water Code (TWC) § 13.1872(f).<sup>5</sup> Staff stated that TWC § 13.1872(f) allows a utility only one rate adjustment per year. Staff noted that Manvel applied for a water rate increase on March 20, 2017, which was approved on May 5, 2017 in Docket No. 46965.<sup>6</sup>
3. On September 14, 2017, Order No. 2 was issued deeming the application administratively complete and accepted for filing.

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<sup>4</sup> Manvel Utilities' Response to Commission Staff, September 27, 2017.

<sup>5</sup> Commission Staff's Recommendation on Administrative Completeness and Recommendation on Final Disposition at 2, (Sep. 5, 2017).

<sup>6</sup> *Application of Manvel Utilities, LP for a Price Rate Index Rate Adjustment*, Docket No. 46965, Notice of Approval (May 5, 2017).

4. On September 27, 2017, the CPA for Manvel, filed a response to Commission Staff's recommendation. Manvel stated that the form on the website was not clear that the request for price rate adjustment could be applied for both water and sewer rates in one form. Manvel is requesting that the Commission approve the application for the sewer utility price rate adjustment, despite Commission Staff's recommendation for denial.
5. Manvel's sewer rates were last adjusted in June 2009.

**Informal Disposition**

6. More than 15 days have passed since completion of the notice of this docket.
7. No protests, motions to intervene, or requests for hearing were filed.

**III. Conclusions of Law**

1. Manvel is a public utility that provides retail water and sewer utility service to fewer than 500 taps or active connections.
2. The Commission has jurisdiction over the application under TWC §§ 13.041 and 13.1872.
3. In accordance with TWC § 13.1872(f), a utility may adjust the utility's rates using the procedures adopted under subsection (e) not more than once each year and not more than four times between rate proceedings described by § 13.1871.
4. Under 16 TAC §24.36(f)(1), a Class C utility may adjust its rates not more than once each calendar year and not more than four times between rate proceedings described by TWC § 13.1871.
5. Under 16 TAC §24.36(f)(2), the applications can be submitted based on the last two digits of the applicant's CCN number and according to the assigned month and a utility holding multiple CCNs may file an application in any month for which any of its CCN numbers is eligible.
6. Because Manvel had filed an application in March 2017 for a water price index rate adjustment, it is prohibited under 16 TAC § 24.36(f)(1) from requesting a second rate adjustment in 2017.

7. The application was processed in accordance with the requirements of the TWC, the Administrative Procedure Act,<sup>7</sup> and the Commission's rules.

#### **IV. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. Manvel Utilities, LP's application for a sewer price index rate adjustment is denied.
2. All other motions and any other requests for general or specific relief, if not expressly granted, are denied.

Signed at Austin, Texas the \_\_\_\_\_ day of March 2018.

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**DEANN T. WALKER, CHAIRMAN**

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**BRANDY MARTY MARQUEZ, COMMISSIONER**

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**ARTHUR C. D'ANDREA, COMMISSIONER**

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<sup>7</sup> Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001- .902 (West 2016 & Supp. 2017).