

Control Number: 47625



Item Number: 19

Addendum StartPage: 0

DOCKET NO. 47625

**APPLICATION OF CYPRESSWOOD
HILLS WATER, LLC TO
IMPLEMENT A PASS-THROUGH
CHANGE**

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PUBLIC UTILITY COMMISSION # 2: 22
OF TEXAS

COMMISSION STAFF'S RESPONSE

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Response. In support thereof, Staff shows the following:

I. BACKGROUND

On September 20, 2017, Cypresswood Estates Water System (Cypresswood) filed an application to implement a pass-through rate change in its tariff under Water Certificate of Convenience and Necessity (CCN) No. 12498. On March 19, 2018 Cypresswood filed an amended application seeking to recover past due fees owed to the San Jacinto River Authority (SJRA), including penalties and interest. The rate increase will affect the Cypresswood Estates subdivision.

On January 26, 2018, the Commission remanded this proceeding to the Administrative Law Judge (ALJ). On April 13, 2018, the ALJ issued an Order Requesting Commission Staff Response by April 18, 2018. This pleading is therefore timely filed.

II. STAFF'S RESPONSE

If the Commission is asking what Staff recommends would be the appropriate evidence to be admitted to make a final determination in this case, Staff would recommend the following:

- 1) Original Application
- 2) Amended Application
- 3) Staff Final Recommendation
- 4) Staff's Final Final Recommendation

Staff does not recommend that any additional evidence is necessary to be admitted for Cypresswood's amended application. While Staff opposes the inclusion of legal fees incurred by SJRA and charged to Cypresswood on the grounds that recovery of such fees is unreasonable,

Staff does not dispute the amount of those fees. Cypresswood's amended application includes a Statement from SJRA which indicates the total amount charged for such fees.¹

¹ Amended Application, Exhibit B.

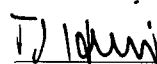
Dated: April 18, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

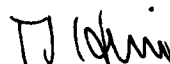


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 18, 2018 in accordance with 16 TAC § 22.74.



TJ Harris