



Control Number: 47897



Item Number: 194

Addendum StartPage: 0

DOCKET NO. 47897

RECEIVED

APPLICATION OF FOREST GLEN  
UTILITY COMPANY FOR  
AUTHORITY TO CHANGE RATES

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BEFORE THE STATE OFFICE 41

OF PUBLIC UTILITY COMMISSION  
FILING CLERK

ADMINISTRATIVE HEARINGS

### COMMISSION STAFF'S REQUEST FOR ADDITIONAL INTERVENTION DATE

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and requests an additional opportunity for ratepayers to intervene. In support thereof, Staff shows the following:

#### I. BACKGROUND

On December 21, 2017, Forest Glen Utility Company (Forest Glen) filed an application for authority to change rates. On January 31, 2018, the Commission's administrative law judge (ALJ) issued Order No. 2 deeming the application administratively incomplete and suspending the effective date of the rate increase.<sup>1</sup>

On February 23, 2018, Forest Glen filed a revised application. On February 28, 2018, Forest Glen filed additional information to cure deficiencies in the application. On March 27, 2018, the application was deemed administratively complete. On April 12, 2018, The State Office of Administrative Hearings (SOAH) administrative law judge issued Order No. 1 setting a prehearing conference, an intervention deadline, and establishing other procedural requirements. The order established May 18, 2018, the date of the prehearing conference, as the final date for a ratepayer to intervene.

On May 21, 2018, the administrative law judge issued Order No. 2 memorializing the prehearing conference, adopting a procedural schedule, and establishing October 24, 2018 as the date for the hearing on the merits.

On May 25, 2018, Public Utility Commission Chairman DeAnn T. Walker issued a memorandum concerning the proper interpretation of Texas Water Code (TWC) § 13.1871 and 16

<sup>1</sup> Order No. 2 Finding Application Incomplete, Establishing Opportunity to Cure and Suspending Effective Date (January 31, 2018).

Texas Administrative Code (TAC) § 24.26.<sup>2</sup> As a result, Forest Glen was required to file an updated statement of intent. On June 1, 2018, Forest Glen Utility filed an updated statement of intent. The effective date of the rate increase is 35 days after the statement of intent is sent.<sup>3</sup> Therefore, the effective date of the rate change, if the statement of intent was proper, is July 6, 2018.<sup>4</sup>

## **II. ADDITIONAL INTERVENTION DATE**

Pursuant to Texas Water Code (TWC) § 13.1871, if before the 91<sup>st</sup> day after the effective date of the rate change, the regulatory authority receives a complaint from any affected municipality, or from the lesser of 1,000 or 10 percent of the ratepayers of the utility over whose rates the regulatory authority has original jurisdiction, the regulatory authority shall set the matter for hearing. Pursuant to TWC § 13.1871(n), the utility shall mail notice of the hearing to each ratepayer before the hearing. The notice must include a description of the process by which a ratepayer may intervene in the ratemaking proceeding.

When Forest Glen sent the original statement of intent to increase rates, the statutory threshold for complaints was reached. Therefore, this case was scheduled for a hearing. Forest Glen mailed notice of the prehearing conference and provided an opportunity for ratepayers to intervene, as required by TWC § 13.1871(n). However, this notice was provided pursuant to the insufficient application.

The requirement to file a new statement of intent anticipates the possibility that substantive information in the application has changed. Therefore, an individual who did not intervene when noticed of the prior, insufficient application, may reconsider upon receiving additional information provided in a new statement of intent. In fact, more than 50 ratepayers have indicated continued interest in this case by filing protests after receiving the statement of intent filed on June 1, 2018. Additionally, there may be new ratepayers who have become customers since the last statement of intent was mailed, and those customers should have an opportunity to receive intervention information.

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<sup>2</sup> Memorandum of Chairman DeAnn T. Walker RE: *Application of Forest Glen Utility Company for Authority to Change Rates* (May 24, 2018).

<sup>3</sup> Tex. Water Code § 13.1871 (b)

<sup>4</sup>It is Staff's position that the new statement of intent is proper.

Due to the requirement for a new statement of intent, Staff respectfully requests that Forest Glen be required to provide ratepayers with notice of the hearing on the merits and an additional opportunity to intervene. Staff respectfully requests that the notice provide 20 days within which ratepayers may intervene. Under the procedural schedule established under SOAH Order No. 2, Intervenor direct testimony is due August 9, 2018. If Forest Glen is directed to promptly send new notice of the hearing with an additional opportunity to intervene, the existing procedural schedule does not need to be amended.

### **III. CONCLUSION**

Staff respectfully requests that the judge enter an order consistent with this pleading.

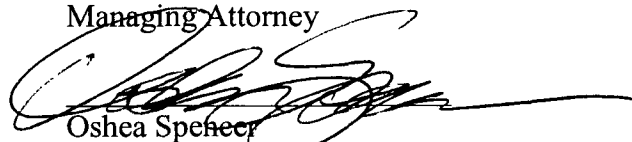
Dated: June 28, 2018

Respectfully Submitted,

#### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

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A handwritten signature in black ink, appearing to read 'Oshea Spencer', is written over the printed name and contact information.

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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on June 28, 2018 in accordance with 16 TAC § 22.74.



Oshea Spencer

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