



Control Number: 47897



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DOCKET NO. 47897

APPLICATION OF FOREST GLEN
UTILITY COMPANY FOR
AUTHORITY TO CHANGE RATES

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PUBLIC UTILITY COMMISSION

OF TEXAS
PUBLIC UTILITY COMMISSION
FILING CLERK

RECEIVED

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COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY

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

I. Background

On December 21, 2018, Forest Glen Utility Company (Forest Glen or Applicant), Sewer Certificate of Convenience and Necessity (CCN) No. 21070 in Medina County, filed an application (Application) with the Commission for authority to change its rates. Order No. 1 instructed Staff to file a recommendation on administrative completeness and notice by January 21, 2018.

II. Recommendation

As detailed in the attached memorandum of Gregory Charles and Fred Bednarski of the Water Utilities Division, Staff recommends that the Application is insufficient for filing and that notice should not be issued. The attached memorandum instructs the Applicant how it may improve the Application. A verification form is also attached. Staff further recommends that the Applicant be allowed until February 21, 2018 to cure the Application and that Staff be allowed until March 22, 2018 to make a supplemental recommendation.

III. Conclusion

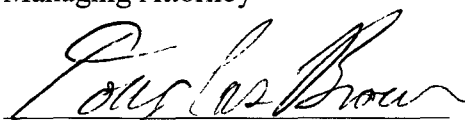
Staff requests the issuance of an order consistent with the above recommendations.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

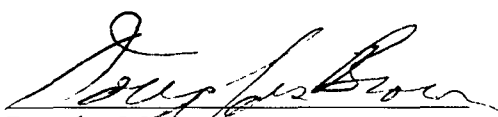
A handwritten signature in black ink, appearing to read "Douglas M. Brown", written over a horizontal line.

Douglas M. Brown
State Bar No. 24048366
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7203 / (512) 936-7268 (facsimile)

DOCKET NO. 47897

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on January 19, 2018 in accordance with 16 TAC § 22.74.

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

Douglas M. Brown

Public Utility Commission of Texas

Memorandum

TO: Douglas Brown, Attorney
Legal Division

THRU: Debi Loockerman, Financial Manager
Water Utility Regulation Division

FROM: Gregory Charles, Engineer
Fred Bednarski III, Financial Examiner
Water Utility Regulation Division

DATE: January 22, 2018

SUBJECT: *Docket No. 47897, Application of Forest Glen Utility Company for Authority to Change Rates*

On December 21, 2017, Forest Glen Utility Company (Forest Glen or Applicant), Sewer Certificate of Convenience and Necessity (CCN) No. 21070, filed an application with the Public Utility Commission of Texas (Commission) for a sewer rate/tariff change in Medina County, Texas. An administrative review of this application is being made pursuant to Texas Water Code § 13.1871 (TWC) and 16 Tex. Admin. Code §§ 24.8 and 24.22 (TAC).

During the administrative review of the application, Staff found errors and deficiencies in the application which must be addressed prior to Forest Glen filing the notice with their customers. Therefore, Staff recommends the Commission deem the application deficient and insufficient for filing. In order to cure the errors and deficiencies, Staff recommends the Applicant provide the following:

1. Updated Schedules II to include 2014 year's expense amounts. If any of the test year amounts are higher than previous years, please indicate the reason for the increase.
2. Updated Schedule II-7 containing an explanation why the Materials amount is N/A on II-7 and not included on Schedule I-1.
3. Provide a legible copy (larger font size) of Schedule III-3.
4. Provide a legible copy of the rate design page, FGU Rate 051.
5. Updated Schedule IV (a) to include the total amounts at the bottom and update Schedule I-1 row 26 to include the tax amounts from Schedule II-IV (a).
6. Updated Schedule III-5 containing the correct O & M Expense amount, and recalculate the working cash amount based on Class C since Forest Glen has less than 500 connections. Update Schedule III-2 with the correct working cash amount, then update Schedule III-1 and recalculate the Return on Rate base amount. Update Schedule V and I-1 with the updated Return on Rate base amount and Income Tax amount.
7. Update Schedule I-1 with the new amount(s), and recalculate Schedule I-1 after updating all the supporting schedules.

Public Utility Commission of Texas

Memorandum

8. File a copy of the attached affidavit attesting to the correctness of the application in accordance with the instructions for the Class B rate application, page 7, "Attachments required for sufficiency".
9. Copy of the Forest Glen's most recently approved tariff.

Staff additionally recommends suspension of the effective date of the rate increase pursuant to 16 TAC § 24.26 (a).

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent.)

State of _____

as:

County of _____

_____ makes oath and says that he/she is _____
(Name of Affiant) (Official Title of Affiant)

of _____
(Exact Legal Title or Name of the Respondent)

The signed officer has reviewed the rate application.

Based on the officer's knowledge, the rate application does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, operations and other financial information included in the rate application, fairly present in all material respects the financial condition and results of operations of the preparers as of, and for, the periods presented in the rate application.

He/she swears that all other statements contained in the said rate application are true, and that the said rate application is a correct and complete statement of the business and the above-named respondent during the test year time frame of _____ to _____, and including any additional time frames aside from the aforementioned test year resulting from rate case requests for information.

Subscribed and sworn to and before me, a _____ in and for the State and County above-named, this _____ day of _____.

(Signature of Affiant)

My commission expires _____.
(Signature of Officer Authorized to Administer Oaths)