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RATEPAYERS APPEAL OF THE  
DECISION BY SOUTH CENTRAL  
CALHOUN COUNTY WATER  
CONTROL AND IMPROVEMENT  
DISTRICT NO. 1 TO CHANGE  
RATES

§  
§  
§  
§  
§

BEFORE THE STATE OFFICE

PUBLIC UTILITY COMMISSION  
FILING CLERK

OF

ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S OBJECTIONS TO THE DIRECT TESTIMONY AND  
EVIDENCE OF SOUTH CENTRAL CALHOUN COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 1**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission),  
representing the public interest, and would show the following:

**I. PROCEDURAL HISTORY**

On May 7, 2018, the presiding officer issued SOAH Order No. 2, establishing a procedural schedule and setting June 25, 2018 as the deadline to file objections to the direct testimony of South Central Calhoun County Water Control and Improvement District No. 1 (South Central Calhoun). Therefore, this pleading is timely filed.

**II. OBJECTIONS**

The bases of these objections are Texas Water Code § 13.043(a) and 16 Texas Administrative Code (TAC) § 24.41(e)(5), which describe the Commission's appellate jurisdiction in rate proceedings. In relevant part, they state that the Commission shall hear such an appeal de novo, and "the utility commission may consider only the information that was available to the governing body at the time the governing body made its decision and evidence of reasonable expenses incurred in the appeal proceedings." The board of South Central Calhoun adopted the rate increase on September 15, 2017.<sup>1</sup> The following items could not have been available to the board at the time it voted to raise the rates that are in contention in this case. Therefore, this information is not relevant to this proceeding. Staff objects to the following and requests that it be excluded from the record:

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<sup>1</sup> Testimony of Alan Gino Aguirre on behalf of South Central Calhoun Water Control and Improvement District No. 1 at page 6 (June 18, 2018).



- Direct testimony of Debbie McClanahan (June 18, 2018)
  - Page 4 lines 16 and 17 referencing September 2017 Profit and Loss Statements and Exhibit 9
  - Exhibit 9 dated September 2017
  - Page 5 lines 10-13 of the testimony which reference Exhibit 10
  - Exhibit 10 (5 pages in length). Exhibit 10 indicates 2017. It does not contain the date when this information was collected or by whom. Pages 2 through 4 of Exhibit 10 are untitled and do not indicate the date when this information was collected or by whom. Page 5 of Exhibit 10 (also page 1/1) indicates a date of October 4, 2017. This is after the date the board voted to increase the rates.
- Direct Testimony of Scott P. Mason (June 18, 2018)
  - Page 7 lines 22 and 23 of testimony referencing Exhibit 16 which includes the October 2017 Profit and Loss Budget Comparison and the 2017 Audit and Plant Maintenance Account Detail.
  - Exhibit 16 (which includes the Profit and Loss Budget performance from October 2017, 11/20/2017 transaction from January through December 2017 Transaction Detail, the entire annual audit report from December 31, 2017, the Independent Auditors' Report dated May 14, 2018 which includes information dated December 31, 2017). The board would not have had this information when it voted to increase the rates on September 15, 2017.

### **III. CONCLUSION**

Staff respectfully requests that the presiding officer sustain Staff's objections and exclude the above-indicated documents from the record.

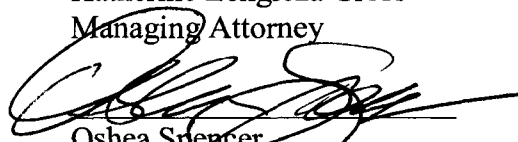
Dated: June 25, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

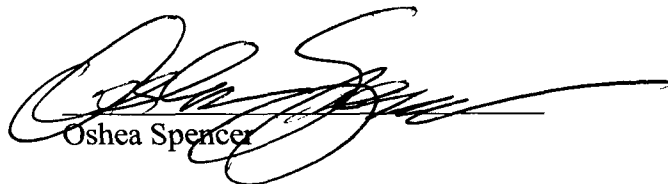
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CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on June 25, 2018 in accordance with 16 TAC § 22.74.



Oshea Spencer