



Control Number: 47912



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PUBLIC UTILITY COMMISSION
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OPEN MEETING COVER SHEET

COMMISSIONER MEMORANDUM

MEETING DATE: April 4, 2019

DATE DELIVERED: April 3, 2019

AGENDA ITEM NO.: 2

CAPTION: Docket No. 47912; SOAH Docket No. 473-18-2475.WS -
Ratepayers' Appeal of the Decision by South Central
Calhoun County Water Control and Improvement
District No. 1 to Change Rates

ACTION REQUESTED: Discussion and possible action with respect
to Chairman Walker's memo.

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DeAnn T. Walker
Chairman

Arthur C. D'Andrea
Commissioner

Shelly Botkin
Commissioner

John Paul Urban
Executive Director



Greg Abbott
Governor

Public Utility Commission of Texas

TO: Chairman DeAnn T. Walker
Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

All Parties of Record (*via electronic transmission*)

FROM: Carsi Mitzner 
Commission Advising

RE: *Ratepayers' Appeal of the Decision by South Central Calhoun County Water Control and Improvement District No. 1 to Change Rates, Docket No. 47912, SOAH Docket No. 473-18-2475.WS, April 4, 2019 Open Meeting, Item No. 2*

DATE: April 3, 2019

Please find enclosed a memorandum by Chairman Walker regarding the above-referenced docket.

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Public Utility Commission of Texas

Memorandum

TO: Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

FROM: Chairman DeAnn Walker *DW*

DATE: April 3, 2019

RE: Open Meeting of April 4, 2018 – Agenda Item No. 2
Docket No. 47912; SOAH Docket No. 473-18-2475.WS – *Ratepayers' Appeal of the Decision by South Central Calhoun County Water Control and Improvement District No. 1 to Change Rates*

I recommend adopting the proposed order in this proceeding with the changes set forth below.

The Commission should delete references in the proposed order to Texas Water Code (TWC) § 13.183 and 16 Texas Administrative Code (TAC) § 24.75, because the referenced provisions are inapplicable to an appeal under TWC § 13.043(b).

The citation in the section heading entitled “The Appeal” should be corrected to refer to 16 TAC § 24.101, instead of 16 TAC § 24.11.

Finding of fact 26 should be modified and an additional finding of fact should be added for clarity and consistency with other Commission orders.

26. The parties agreed that the appealed rates are just and reasonable and are not unreasonably discriminatory, preferential, or prejudicial. The agreed rates are sufficient, equitable, and consistent in application to each class of customers.

27. The agreed rates will preserve the financial integrity of the district.

Findings of fact 33 and 38 should be modified for accuracy.

33. In Order No. 2 issued on February 12, 2019 ~~2018~~, the ALJ admitted the joint parties' requested item (g), the supplemental direct testimony of Alan Gino Aguirre supporting the agreement with supplemental materials filed by the district on September 21, 2018.

38. The district's test year for the rate increase effective November 1, 2017, was from January 1, 2016 to December 1, 2016.

Because the district's stated revenue requirement in the proposed order does not match the revenue generated by the settlement rates, finding of fact 41 should be modified for accuracy.

41. The rates approved in this Order are designed to recover annual revenues in the amount of \$153,240 ~~district's total revenue requirement in this proceeding is \$162,977.~~

Conclusions of law 2, 19, and 20 should be modified for accuracy and specificity.

2. The Commission has authority to consider the appeal of a rate change decision under TWC § 13.043(b) and 16 TAC § 24.101 ~~using procedures adopted by the Commission and 16 TAC, chapter 24.~~
19. Under 16 TAC § 24.25 ~~24.21~~(b)(2)(G)(i), a surcharge is defined as an authorized rate to collect revenues over and above the usual cost of service.
20. ~~In an appeal under~~ Under TWC § 13.043(e), the Commission ~~may order refunds or allows the district to impose a surcharges to recover its rate-case expenses lost revenues.~~

Footnotes 1 and 2 on page 8 should be deleted because they are unnecessary.

Ordering paragraph 3 should be deleted because the referenced terms of the agreement do not relate to the rates the district charges; therefore, those terms of the agreement are outside the scope of the Commission's jurisdiction under TWC § 13.043(b) and (e).

Ordering paragraph 6 should be revised for clarity.

6. Beginning with the next billing cycle after the date of this Order, the district must submit semi-annual reports to the Commission in Docket No. 49410, Compliance Docket of South Central Calhoun County Water Control and Improvement District Regarding Semi-Annual Surcharge Collection Reports Related to Docket No. 47912 that contain the following:
 - a. the number of customers charged the rate-case expense surcharge authorized in this Order;
 - b. the amount collected to date by the rate-case expense surcharge authorized by this Order; and
 - c. the remaining balance of rate-case expenses.

An additional ordering paragraph should be added after ordering paragraph 6 to provide additional compliance procedures.

7. No later than 15 days after the filing of the district's report described in ordering paragraph 6, Commission Staff must file its comments regarding the district's report. Responses to Commission Staff's comments must be filed no later than 15 days after Commission Staff's comments are filed.

Finally, I propose delegating to the Office of Policy and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.

