



Control Number: 47989



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DOCKET NO. 47989

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PETITION OF SITZ FAMILY
INVESTMENTS LLC FOR
MODIFICATION OF A TRUE-UP
PROVISION APPROVED IN DOCKET
NO. 44434

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PUBLIC UTILITY COMMISSION
OF TEXAS

**COMMISSION STAFF'S RECOMMENDATION, MOTION TO ADMIT EVIDENCE,
AND JOINT PROPOSED ORDER**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Recommendation, Motion to Admit Evidence, and Joint Proposed Order. In support thereof, Staff shows the following:

I. BACKGROUND

On February 10, 2015, Sitz Family Investments LLC (Sitz) filed with the Commission an application to obtain a water certificate of convenience and necessity (CCN) in Matagorda County, Texas.¹ That application was assigned Docket No. 44434. In that docket, Staff recommended approval of the CCN and tariff on May 11, 2016,² and on May 13, 2016, the Commission issued a notice of approval that approved the application and granted CCN No. 13238 to Sitz.³ The Notice of Approval in Docket No. 44434 included Ordering Paragraph No. 3, which required Sitz to perform a true-up of the rates after 18 months from the date of the order: November 13, 2017.⁴

On January 26, 2018, Sitz filed a request for an 18-month extension to file its required true-up report. Order No. 1, issued on February 20, 2018, required Staff to file comments or a recommendation on the motion for extension of time and file a proposed order for consideration by March 9, 2018. Therefore, this pleading is timely filed.

¹ *Application of Sitz Family Investments, LLC for Initial Rates for the Little River Ranch Water System and for a Certificate of Convenience and Necessity in Matagorda County*, Docket No. 44434 (Feb. 19, 2015) (Docket No. 44434).

² Docket No. 44434, Staff's Recommendation on Final Disposition (May 11, 2016).

³ Docket No. 44434, Notice of Approval at Ordering Paragraph No. 1 (May 13, 2016).

⁴ *Id.* at Ordering Paragraph No. 3.

II. RECOMMENDATION ON REQUEST FOR EXTENSION

Staff has reviewed Sitz's petition for an 18-month extension to file the true-up required by the Final Order in Docket No. 44434 and recommends that good cause exists for an extension to be granted. Sitz states it completed the Little Red River Ranch Water System in substantial compliance with the plans and specifications approved by the Texas Commission on Environmental Quality.⁵ However, there are no residents in the development that Sitz is authorized to serve under CCN No. 13238 and it has not begun operations,⁶ so consequently it does not have 18 months' of representational values on the actual cost of the system to provide an accurate true-up report by November 13, 2017. Staff recommends that an extension to file the true-up report is reasonable and that a new deadline should be established for 18 months after the date Sitz begins serving customer(s). Staff recommends that Sitz file proof of the date of the start of service and identify its new true-up report deadline with the Commission within 30 days of the start of service.

III. MOTION TO ADMIT EVIDENCE

In support of the attached joint proposed order, parties request that the Request for Extension, filed January 26, 2018, be admitted into evidence.

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that the Commission adopt the attached proposed order, which would approve Sitz's request for an extension to submit the true-up report required by the Notice of Approval in Docket No. 44434, and submit evidence in support of that proposed order.

⁵ Application at 1-2.

⁶ *Id.*

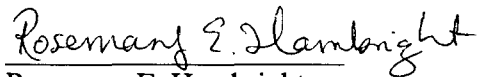
DATED: March 8, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton~~
Division Director

Stephen Mack
Managing Attorney

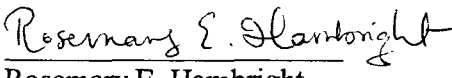

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Sitz Family Investments, LLC
Little River Ranch

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on March 8, 2018, in accordance with 16 TAC § 22.74.


Rosemary E. Hambright

PUC DOCKET NO. 47989

PETITION OF SITZ FAMILY	§	PUBLIC UTILITY COMMISSION
INVESTMENTS LLC FOR	§	
MODIFICATION OF A TRUE-UP	§	OF TEXAS
PROVISION APPROVED IN DOCKET	§	
NO. 44434	§	

PROPOSED ORDER

This Order addresses the true-up deadline extension request filed by Sitz Family Investments LLC (Sitz). On January 26, 2018, Sitz requested an 18-month extension to file the true-up report required by Ordering Paragraph No. 3 in the Notice of Approval in Docket No. 44434. The Staff (Staff) of the Public Utility Commission of Texas (Commission) recommended that the request be approved.

The Commission adopts the following findings of fact and conclusions of law:

I. FINDINGS OF FACT

Procedural History

1. On February 10, 2015, Sitz filed with the Commission an application to obtain a water certificate of convenience and necessity (CCN) in Matagorda County, Texas, in Docket No. 44434.
2. On May 13, 2016, the Commission approved the application and granted CCN No. 13238 to Sitz. That notice of approval included Ordering Paragraph No. 3, which instructed Sitz to file a true-up report 18 months from the date of the issuance of the notice.
3. Sitz has not begun operations.
4. On January 26, 2018, Sitz filed a petition for an additional 18 months to file its required true-up report.
5. Sitz's request was docketed in Docket No. 47989.
6. On February 20, 2018, the Commission's administrative law judge (ALJ) issued Order No. 1, requiring Staff's to file comments on the request and a proposed order by March 9, 2018.

7. On March 8, 2018, Staff recommended that (a) Sitz should be granted an extension, (b) the new deadline should be 18 months after Sitz begins serving customer(s), and (c) Sitz should file proof of the date of the start of service and identify its new deadline with the Commission within 30 days of the start of service. Staff also requested that evidence be admitted in support of the proposed order.
8. On _____, the ALJ admitted evidence in support of the request.

II. CONCLUSIONS OF LAW

1. Sitz is a retail public utility and provides retail water utility service as defined in TWC §§ 13.002(19)-(20) and 16 Texas Administrative Code (TAC) §§ 24.3(59)-(60).
2. The Commission has jurisdiction and authority over this docket pursuant to TWC §§ 13.001, 13.041, 13.182, and 13.183.

III. ORDERING PARAGRAPHS

In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. The Petition for Extension is approved.
2. A true-up of the approved rates from Docket No. 44434 shall be performed 18 months after Sitz begins service, and shall consist of a reconciliation by customer account to true-up the revenues received under the rates approved therein with the revenues that would have been received had the rates reflected the actual cost of service that would be approved in a rate case.
3. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

Signed at Austin, Texas the _____ day of _____ 2018.

PUBLIC UTILITY COMMISSION OF TEXAS

IRENE MONTELONGO

DIRECTOR, DOCKET MANAGEMENT