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<b>RATEPAYERS' APPEAL OF THE DECISION BY GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 12 TO CHANGE RATES</b>	§ § § §	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**COMMISSION STAFF'S ADMINISTRATIVE COMPLETENESS  
RECOMMENDATION**

**COMES NOW** the Commission Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this response to Order No. 1, Staff's Administrative Completeness Recommendation. Staff recommends that the petition be found sufficient and that the case be referred to the State Office of Administrative Hearings (SOAH) for a hearing on the merits. In support thereof, Staff shows the following:

**I. BACKGROUND**

On January 30, 2018, the ratepayers (Ratepayers) of the Galveston County Municipal Utility District No. 12 (Galveston MUD 12) filed a petition with the Commission appealing the change in water rates by Galveston MUD 12, effective December 2017. This appeal is governed by Tex. Water Code § 13.043 (TWC) and 16 Tex. Admin. Code §§ 24.41 & 24.42 (TAC).

On February 1, 2018, the Commission Administrative Law Judge (ALJ) issued Order No. 1, requiring Staff to file a recommendation on the administrative completeness of TPWD's petition by March 1, 2018. Therefore, this pleading is timely filed.

**II. ADMINISTRATIVE COMPLETENESS RECOMMENDATION**

Pursuant to TWC § 13.043(c), an appeal by ratepayers of a municipally owned utility's rates must be filed within 90 days after the effective date of the rate change. Here, the effective date of the Galveston MUD 12 rate change is December 2017 and the appeal petition was filed on January 30, 2018. Furthermore, TWC §§ 13.043(c) and (d) and 16 TAC § 24.42 specify the information required to be included in the petition, including the requirement that the petition must be signed by the lesser of either 10,000 or 10% of those ratepayers whose rates have been changed and are eligible to appeal. As indicated in the attached memorandum of Andrew Novak of the Commission's Water Utilities Division, Staff has confirmed that the petition includes the information required by TWC §§ 13.043(c) and (d) and 16 TAC § 24.42. Therefore, Staff

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recommends that the Ratepayers' petition is sufficient and that it be found administratively complete.

### **III. REFERRAL RECOMMENDATION & PROCEDURAL SCHEDULE**

Because the Ratepayers' petition meets the threshold established in TWC § 13.043(c) of 10% of ratepayers eligible to appeal, Staff recommends that this proceeding be referred to SOAH for a hearing on the merits. Accordingly, Staff does not propose a procedural schedule at this time. Should the Commission refer this proceeding to SOAH, Staff anticipates working with the parties to reach an agreed-upon procedural schedule prior to a prehearing conference.

### **IV. CONCLUSION**

For the reasons stated above, Staff respectfully recommends that the petition be found administratively complete and that the petition be referred to SOAH for a hearing on the merits.

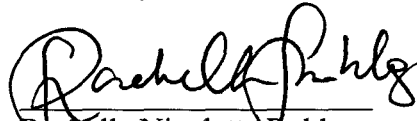
Dated: March 1, 2018

Respectfully Submitted,

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

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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 1, 2018, in accordance with 16 TAC § 22.74.

  
Rachelle Nicolette Robles

**Public Utility Commission of Texas**

**TO:** Rachelle Robles, Attorney  
Legal Division

**THRU:** Tammy Benter, Director  
Debi Loockerman, Manager  
Water Utility Regulation

**FROM:** Andrew Novak, Financial Analyst  
Water Utility Regulation

**DATE:** March 1, 2018

**SUBJECT:** **Docket 47998**, *Ratepayers' Appeal of the Decision by Galveston County Municipal Utility District No. 12 to Change Rates*

On January 30, 2018, customers (petitioners) served by Galveston County Municipal Utility District No. 12 (Galveston MUD) filed a petition appealing the decision of Galveston MUD to increase water rates.

Galveston MUD has one thousand five hundred and fourteen (1,514) service connections, according to records available from the Texas Commission on Environmental Quality. In order for a review to be initiated under Texas Water Code Ann. §13.043(b)(4)(TWC), protests must be received from a total of 10% of the affected ratepayers, which for this proceeding would amount to 151 petitioners. As of the time of this filing Staff has determined that there are 197 valid petitioners.

Based on Staff's review, the petition does meet the required criteria outlined in TWC §13.043 and the 16 Tex. Admin. Code (TAC) 24.42. Therefore, staff recommends that the petition be considered administratively complete and sufficient for filing. In addition, Staff recommends this docket be referred to the State Office of Administrative Hearings.