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Public Utility Commission of Texas

Commissioner Memorandum

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PUBLIC UTILITY COM. STAFF
FILING CLERK

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

FROM: Chairman DeAnn T. Walker 

DATE: May 12, 2020

RE: May 14, 2020 Open Meeting – Item No. 5
Docket No. 47998 – *Ratepayers' Appeal of the Decision by Galveston County
Municipal Utility District No. 12 to Change Rates*

I recommend that the Commission make the following changes to the proposed order in this proceeding.

All references to the agreement in the present tense should be changed to the past tense to reflect the fact that the parties executed the agreement in September of 2018. The Commission should also modify the order's introductory paragraph for accuracy and conformity with the Commission's order format. Although the petition included 207 ratepayer signatures, Commission Staff determined that only 197 of the signatures were valid.

This Order addresses the appeal of 197 207 ratepayers, represented by the Omega Bay Improvement Committee, of the decision of Galveston County Municipal Utility District No. 12 (the district) to increase water and sewer rates. Commission Staff filed a unanimous agreement between itself, the district, and the ratepayers. The Commission grants the ratepayers' appeal, as modified by the agreement, to the extent provided in this Order.

Findings of Fact

Current findings of fact 1, 3, 6, 8, and 9 should be modified for accuracy and clarity, and a new finding of fact should be added after the current finding of fact 1 for completeness and consistency with previous Commission orders. Subsequent findings of fact to the new finding of fact should be renumbered accordingly.

1. The district was created by order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (TCEQ), on September 1, 1981. It operates under chapters 49 and 54 of the Texas Water Code (TWC).
2. The district provides utility service to approximately 1,568 connections in Galveston County under water certificate of convenience and necessity (CCN) number 11514 and sewer CCN number 20549.
34. As of March 1, 2018, the district had 1,514 service connections according to TCEQ records.

67. On January 30, 2018, a petition was timely filed to appeal the increase in water and sewer rates adopted by the district that went into effect with the 2017 December 2017 billing cycle. The petition included 207 ratepayer signatures, 197 of which Commission Staff determined to be valid.
89. The district had 1,514 ratepayers as of March 1, 2018, and 197 of them, constituting more than 10% of the affected ratepayers, signed the appeal petition.
910. The ratepayers designated John K. Houston and the Omega Bay Improvement Committee to represent them in this proceeding. Beginning July 16, 2018, Gwen Megale replaced John K. Houston as the ratepayers' representative.

Conclusions of Law

Conclusion of law 8 should be deleted for consistency with previous Commission orders and because the information is duplicative of conclusion of law 10. Subsequent conclusions of law should be renumbered accordingly.

8. ~~Under TWC § 13.043(j), the Commission must ensure that every rate received by a retail public utility must be just and reasonable; not unreasonably preferential, prejudicial, or discriminatory; and sufficient, equitable, and consistent in application to each class of customers. The rates are as follows:~~

Water Rates

Base rate (fixed monthly charge for all meter sizes) ————— \$20.00

Usage charges (gallons):

0-3,000	included in base rate
3,001-6,000	\$3.50 per thousand
6,001-9,000	\$4.00 per thousand
9,001-12,000	\$4.50 per thousand
12,001-15,000	\$5.00 per thousand
15,001-18,000	\$6.00 per thousand
18,001 or more	\$7.00 per thousand

Sewer Rates

Base rate (fixed monthly charge for all meter sizes) ————— \$20.00

Usage charges (gallons):

0-3,000	included in base rate
3,001-6,000	\$1.00 per thousand
6,001-9,000	\$1.50 per thousand
9,001-12,000	\$1.75 per thousand
12,001-15,000	\$2.00 per thousand
15,001-18,000	\$2.25 per thousand
18,001 or more	\$3.00 per thousand

The current conclusions of law 10 and 11 should be renumbered and modified to conform with the Commission's order writing format.

109. The ~~agreed~~ rates approved in this Order 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.

110. The ~~agreed~~ rates approved in this Order will preserve the financial integrity of the district.

Ordering Paragraphs

Ordering paragraph 2 should be modified to conform with the Commission's order writing format.

2. The water and sewer rates charged by the district must ~~will~~ be the same as the rates that were in effect before ~~prior to~~ the December 2017 billing cycle.

Ordering paragraph 4 should be modified for completeness and clarity.

4. Within 30 days from the end of each seven-month period in which the refund is in effect, the district must file a report showing the total amount that has been refunded to customers and the balance remaining to be refunded. To the extent refunds have already occurred, the district must file a report showing the total amount that has been refunded to customers and any balance remaining to be refunded within 30 days of the date of this Order. The reports must be filed in Docket No. 49349, *Compliance Filing of Galveston County Municipal Utility District No. 12 Regarding Refunds from Docket No. 47998*. No later than 15 days after the filing of the district's report, Commission Staff must file its comments regarding the report. Responses to Commission Staff's recommendation must be filed no later than 15 days after Commission Staff's report is 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.