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DOCKET NO. 48031

**APPLICATION OF CHUCK BELL
WATER SYSTEMS LLC FOR A PASS
THROUGH RATE CHANGE**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

COMMISSION STAFF'S SUFFICIENCY RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this sufficiency recommendation. Staff recommends that the application be deemed deficient. In support thereof, Staff shows the following:

I. BACKGROUND

On February 7, 2018, Chuck Bell Water Systems L.L.C.'s (Chuck Bell) filed a notice with the Public Utility Commission (Commission) regarding its pass-through rate change to recover the fees paid to Northern Trinity Groundwater Conservation District. The rate increase from \$3.60 to \$3.75 per 1,000 gallons starting with the April 2018 billing cycle, will affect the Bear Creek subdivision only.

On February 15, 2018, the Administrative Law Judge (ALJ) issued a Notice Setting Deadline for Staff's Recommendation, requiring Staff to file a recommendation on Chuck Bell's application and notice, as well as to propose a procedural schedule by February 28, 2018. Therefore, this pleading is timely filed.

II. STAFF'S RECOMMENDATION ON SUFFICIENCY AND NOTICE

Staff has reviewed Chuck Bell's application, and in accordance with 16 Texas Administrative Code (TAC) § 24.21, and as supported by the attached memorandum of Kathryn Eiland of the Commission's Water Utility Regulation Division, Staff recommends that the application be deemed administratively incomplete and deficient. The memorandum sets forth the information required from Chuck Bell to supplement and cure the noted deficiencies.

III. PROPOSED PROCEDURAL SCHEDULE

Due to the deficiencies in the application, Staff does not recommend a procedural schedule for evaluation of the merits at this time. Instead, Staff recommends that Chuck Bell be given until March 28, 2018 to remedy the identified deficiencies and that Staff be required to provide a supplemental recommendation by April 18, 2018.

IV. CONCLUSION

Staff respectfully requests that the ALJ issue an order consistent with this recommendation.

Dated: February 28, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney



Joshua Adam Barron
State Bar No. 24087146
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7235
(512) 936-7268 (facsimile)
Joshua.Barron@puc.texas.gov

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 28, 2018 in accordance with 16 TAC § 22.74.



Joshua Adam Barron

PUC Interoffice Memorandum

To: Joshua Barron, Attorney
Legal Division

Through: Debi Loockerman, Manager
Water Utility Regulation Division

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation Division

Date: February 16, 2018

Subject: **Tariff Control No. 48031:** *Application of Chuck Bell Water Systems LLC for a PassThrough Rate Change*

On February 7, 2018, Chuck Bell Water Systems L.L.C. (Applicant), Certificate of Convenience and Necessity (CCN) No. 12190, filed an application to implement a pass-through to recover fees paid to Northern Trinity Groundwater Conservation District. The proposed gallonage charge for the Bear Creek Subdivision would change from \$3.60 to \$3.75 per 1,000 gallons starting with the April 2018 billing cycle. Staff notes that for a new pass-through request, the pass-through item is reflected as a separate charge on the customer's bill rather than being combined with the gallonage rate used to recover the cost of service.

Based on Staff's review of the application, Staff recommends that it be deemed insufficient for filing at this time. Staff recommends that the Commission require the following from the Applicant:

1. Documentation supporting the pass-through costs (Applicant only provided July – December 2017. Please provide documentation for January-June 2017.).
2. Revision of the pass-through calculation and equation to exclude the gallonage rate used to recover the cost of service.
3. Historical documentation of line loss for one year.
4. A copy of the notice to customers. The notice must contain:
 - a. Effective date of change
 - b. Present calculation of billings
 - c. New calculation of billings
 - d. Explanation of corrections to approved pass-through formula (if applicable)
 - e. Change in charges to utility for ground water reduction fee (if applicable)
 - f. The following language: "This tariff is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.21. The cost to you as a result of this change will not exceed the costs charged to your utility".

5. A copy of the tariff pages that contain the rate that will change if the application is approved.