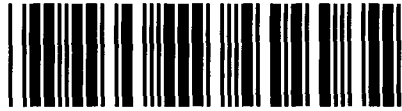




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TARIFF CONTROL NO. 48035

APPLICATION OF CHUCK BELL § PUBLIC UTILITY COMMISSION
WATER SYSTEMS LLC FOR A PASS §
THROUGH RATE CHANGE § OF TEXAS

COMMISSION STAFF'S SECOND SUFFICIENCY RECOMMENDATION

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

I. BACKGROUND

On February 8, 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 Johnson County Special Utility District. Chuck Bell proposes to bill the surcharge of \$3.92 cost per connection, per month starting with the April 2018 billing cycle. The pass-through will affect the Sandersview and Buffalo Creek subdivisions only.

On March 15, 2018, the Administrative Law Judge (ALJ) issued a Notice Finding the Application Incomplete and Deficient; and Establishing an Opportunity to Cure, requiring Staff to file a supplemental recommendation on Chuck Bell's application and notice, as well as to propose a procedural schedule by April 18, 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. Staff further recommends suspension of the effective date of the pass-through rate.

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

May 18, 2018 to remedy the identified deficiencies and that Staff be required to provide a supplemental recommendation by June 11, 2018.

IV. CONCLUSION

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

Dated: April 17, 2018

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

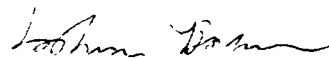


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TARIFF CONTROL NO. 48035

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 17, 2018 in accordance with 16 TAC § 22.74.



Joshua Adam Barron

PUC Interoffice Memorandum

To: Joshua Barron, Attorney
Legal Division

Through: Debi Loockerman, Financial Manager
Water Utility Regulation

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation

Date: April 16, 2018

Subject: **Tariff Control No. 48035** *Application of Chuck Bell Water Systems LLC for a Pass Through Rate Change*

On February 8, 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 for the Sandersview and Buffalo Creek subdivisions to recover fees it has paid and will be paying monthly to Johnson County Special Utility District (JCSUD) for water availability from a meter installed by JCSUD as part of the Sandersview Capital Improvement Fund.

The Applicant proposes to divide the monthly fee of \$301.58 from JCSUD by 77 connections and bill \$3.92 to each connection per month. The pass-through would start with the April 2018 billing cycle. Staff has concerns with over and under-recovery of the pass-through due to change in connection count and recommends that the Applicant change the request to include a true-up provision.

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

1. Billing Register for the last 12 months to confirm customer count;
2. Agreement between Applicant and JCSUD for water availability;
3. A copy of the bills from JCSUD for the last 12 months;
4. A date when the purchase of water from JCSUD will begin.
5. A proposed true-up provision.
6. A copy of the notice to affected customers. The notice must contain:
 - a. Effective date of change;
 - b. The formula to be included in the tariff for recovery of the availability fee and any future gallonage purchases from JCSUD;
 - c. Present calculation of billings;
 - d. New calculation of billings;

- e. 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".
7. Suspend the effective date of the proposed pass-through rate.