



Control Number: 48037



Item Number: 6

Addendum StartPage: 0

PETITION OF MSEC ENTERPRISES,
INC. FOR A GOOD CAUSE EXCEPTION
FROM THE REQUIREMENT TO FILE A
STATEMENT OF INTENT AND
REQUEST FOR APPROVAL OF TARIFF

§
§
§
§
§

PUBLIC UTILITY COMMISSION 12
OF TEXAS

ORDER

This Order addresses the petition of MSEC Enterprises, Inc. for a good cause exception from the requirement to file a statement of intent and request for approval of an amendment to its tariff to include new meter sizes and corresponding rates. The Commission denies MSEC's petition and proposed tariff amendment for the reasons discussed in this Order.

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

I. Findings of Fact

Procedural History and Background

1. On February 8, 2018, MSEC filed a petition for a good cause exception from the requirements of 16 Texas Administrative Code (TAC) § 24.22 in order to add larger meters and accompanying new rates for the larger meters, and for approval of the related tariff sheet.
2. MSEC holds water certificate of convenience and necessity (CCN) number 12887 and sewer CCN number 20984.
3. MSEC is an independently-owned Class B water and wastewater utility in Montgomery County.
4. MSEC provides water utility services in Grimes County and water and sewer utility services in Montgomery County.
5. In Order No. 1 issued on February 9, 2018, the Commission ALJ required Commission Staff to submit comments and make a recommendation regarding MSEC's petition, form and content of notice to be provided, if any, and a proposed procedural schedule for processing the petition.

6. On March 9, 2018, Commission Staff recommended that MSEC be granted a good cause exception and be ordered to file a rate application within 18 months of the date it begins providing service to a larger meter size under the rates approved in this docket.

MSEC's Good Cause Request

7. MSEC requests authority to add larger meters to the water tariff to serve larger customers and requests approval of an accompanying tariff without having to undertake the time and expense of filing a full statement of intent.
8. MSEC's current Commission-approved water utility tariff, originally implemented in 1997, has provisions for meters ranging in size from 5/8 inches to 3 inches.
9. MSEC requested the addition of base rate provisions to the existing tariff for 4-, 6-, 8-, 10- and 12-inch meters without seeking approval through a regular rate change application.

Relevant Provisions

10. Texas Water Code (TWC) § 13.1871 and 16 TAC § 24.22 list the requirements that Class B water utilities must fulfill in order to change rates, including the filing of a statement of intent to change rates.
11. Under 16 TAC § 24.21(b)(1)(C), a utility that has obtained a tariff for the first time is required to file a rate change application within 18 months from the date service begins.
12. Under 16 TAC §§ 22.5(b) and 24.2(b), the Commission may make exceptions to its rules for good cause.

II. Conclusions of Law

1. MSEC is a retail public utility under TWC § 13.002(19) and 16 TAC § 24.3(59).
2. The Commission has jurisdiction over the petition under TWC §§ 13.041 and 13.181.
3. As a Class B water utility, MSEC is required to comply with TWC § 13.1871 and 16 TAC § 24.22 to change its rates.
4. The Commission may not make exceptions to statutory provisions.
5. As a Class B water utility with a tariff obtained in 1997, MSEC cannot apply for a change in rates under 16 TAC § 24.21(b)(1)(C).

III. Ordering Paragraphs

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

1. The Commission denies MSEC's petition for the reasons stated in this Order.
2. All other motions and any other requests for general or specific relief, if not granted, are denied.

Signed at Austin, Texas the 13th day of May 2018.

PUBLIC UTILITY COMMISSION OF TEXAS



DEANN T. WALKER, CHAIRMAN



ARTHUR C. D'ANDREA, COMMISSIONER

