

Control Number: 48099



Item Number: 13

Addendum StartPage: 0

DOCKET NO. 48099

2018 AUG 31 AM 9:03

LESTER BROWN II'S APPEAL OF
THE COST OF OBTAINING
SERVICE FROM PAINT CREEK
WATER SUPPLY CORPORATION

§
§
§
§

PUBLIC UTILITY COMMISSION
FILED CLERK
OF TEXAS

COMMISSION STAFF'S SUPPLEMENTAL FINAL RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Supplemental Final Recommendation in response to Order No. 4 and would show the following:

I. BACKGROUND

On February 23, 2018, Lester Brown II filed a petition with the Public Utility Commission of Texas (Commission) appealing the decision of Paint Creek Water Supply Corporation (Paint Creek) for the cost of obtaining service. This appeal is governed by Texas Water Code (TWC) § 13.043(g) and 16 Texas Administrative Code (TAC) § 24.41(g). Mr. Brown stated that the total cost to obtain service from Paint Creek was \$102,000, which includes \$2,000 for a feasibility study. Additional information regarding the cost of obtaining service was filed on June 7, 2018. On July 25, 2018, Staff filed a recommendation that the Commission affirm the cost of obtaining service from Paint Creek, including the feasibility study fee, under 16 TAC § 24.41(g)(2).

On July 30, 2018, Order No. 4 was issued, establishing a deadline of August 24, 2018, for Mr. Brown to request a hearing or file additional information. Order No. 4 also established a deadline of August 31, 2018, for Staff to confirm Paint Creek's decision, cost of obtaining service, and feasibility study fee. This pleading is therefore timely filed.

II. RECOMMENDATION

No filing has been made since Staff filed its recommendation and Order No. 4 was issued. Staff therefore confirms its July 25, 2018 recommendation, detailed in the attached memorandum that was also attached to Staff's July 25 recommendation, that both the \$2,000 feasibility study fee and the \$100,000 cost of obtaining service are consistent with Paint Creek's tariff, reasonably related to the cost of installing facilities to provide service, and otherwise consistent with the requirements of 16 TAC § 24.41(g)(2). In addition, Staff confirms its recommendation that the

feasibility study fee and the costs associated with obtaining service from Paint Creek are not clearly unreasonable, in compliance with 16 TAC § 24.41(g)(1), and therefore confirms Paint Creek's decision.

III. CONCLUSION

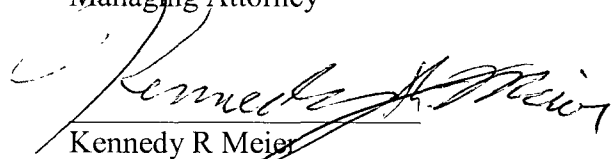
For the reasons detailed above, Staff confirms its recommendation that the cost of obtaining service from Paint Creek complies with the necessary criteria in TWC § 13.043(g) and 16 TAC § 24.41(g) and that the Commission affirm Paint Creek's decision and the cost of obtaining service from Paint Creek, including the feasibility study fee, under 16 TAC § 24.41(g)(2).

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

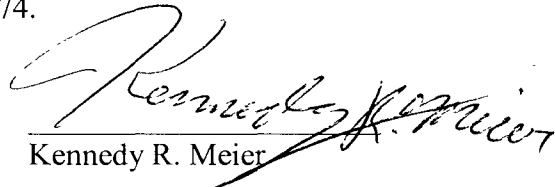


Kennedy R Meier
State Bar No. 24092819
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7265
(512) 936-7268 (facsimile)
kennedy.meier@puc.texas.gov

DOCKET NO. 48099

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 31st of August, 2018 in accordance with 16 TAC § 22.74.



Kennedy R. Meier

PUC Interoffice Memorandum

To: Kennedy Meier, Attorney
Legal Division

Thru: Tammy Benter, Director
Heidi Graham, Manager
Water Utility Regulation

From: Jolie Mathis, Utility Engineering Specialist
Water Utility Regulation

Date: July 25, 2018

Subject: *Docket No. 48099, Lester Brown II's Appeal of the Cost of Obtaining Service from Paint Creek Water Supply Corporation*

On February 23, 2018 Mr. Lester Brown ("Applicant" or "Appellant"), filed a petition with the Public Utility Commission of Texas ("Commission") appealing the decision of Paint Creek Water Supply Corporation ("Paint Creek WSC"), Certificate of Convenience and Necessity (CCN) No. 10635 for the cost of obtaining service from Paint Creek WSC. This petition is being reviewed under Texas Water Code (TWC) § 13.043(g) and 16 Texas Administrative Code (TAC) § 24.41(g).

Mr. Lester Brown is appealing a \$2,000.00 charge for a feasibility study, and a \$100,000.00 estimate for the total cost of obtaining service. The \$2,000 feasibility charge is for the hydraulic study, cost estimate, and layout map. The \$100,000 cost estimate is for improvements to the system to serve a new subdivision with an additional 20 meters with construction of a new 3" water line to be laid along FM3495 beginning at the Earles Camp Road and extending to the Brown entrance. The estimate includes all labor, material, equipment and incidentals to furnish and install 11,000 feet of 3" water line plus valves, etc.

According to 16 TAC § 24.41(g)(2), in an appeal brought under this subsection, the commission shall affirm the decision of the water supply or sewer service corporation if the amount paid by the applicant or demanded by the water supply or sewer service corporation is consistent with the tariff of the water supply or sewer service corporation and is reasonably related to the cost of installing on-site and off-site facilities to provide service to that applicant.

According to the Paint Creek WSC Tariff, Section G Part 1.B. states that all Non-standard service applications shall be subject to a fee, unique to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with the applicant, provide cost estimates of the project, present detailed plans and specifications as per final plat, advertise and accept bids for the project. Staff finds the \$2,000.00 feasibility charge does not appear to be unreasonable or inconsistent with the tariff, as it includes the cost for the engineering study, cost estimate, layout map, and feasibility.

According to the Paint Creek WSC Tariff, Section G Part 4.B. states that Non-standard service shall include any and all construction labor and materials, administration, legal, engineering, membership, buy-in and monthly service availability fees as determined by the corporation under the rules of section E.1.C.(2) of this tariff. Staff finds the \$100,000 estimated cost of installation does not appear to be unreasonable or inconsistent with the tariff, as it includes all labor, material, equipment and incidental to furnish and install 11,000 feet of 3" water line plus valves, etc.

Staff therefore recommends that the amounts demanded by Paint Creek WSC be found to be consistent with the tariff of Paint Creek WSC and reasonably related to the cost of installing on-site and off-site facilities to provide service to the Applicant.