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APPLICATION OF AQUA TEXAS, INC., AQUA UTILITIES, INC., AND AQUA DEVELOPMENT, INC. DBA AQUA TEXAS FOR A MINOR TARIFF CHANGE (FEDERAL TAX CREDIT RIDER)	§ § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS 2018 APR 26 FILING CLERK
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### COMMISSION STAFF'S SUFFICIENCY RECOMMENDATION

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff's Sufficiency Recommendation and would show the following:

#### I. BACKGROUND

On March 26, 2018, Aqua Texas, Inc., Aqua Utilities, Inc., and Aqua Development, Inc. dba Aqua Texas (Aqua) filed an application for approval to implement a new Federal Tax change Credit Rider (FTCCR). Aqua developed the FTCCR as a means to pass estimated savings resulting from the federal Tax Cuts and Jobs Acts of 2017 corporate income tax rate reduction to customers as fast as possible without a rate case. Aqua proposes to implement the FTCCR effective for bills rendered on and after an effective date of May 1, 2018, with the same credit continued through December 31, 2018 and lowered slightly for bills rendered on or after January 1, 2019, ending with Aqua's next rate case. Aqua also proposes to apply the FTCCR immediately to all services reflected on bills on or after May 1, 2018 as an interim rate before final approval.

On March 29, 2018, the Commission issued a Notice Setting Deadline for Staff, requiring Staff to file a recommendation, or propose a procedural schedule, if necessary by April 25, 2018. Therefore, this pleading is timely filed.

#### II. STAFF'S SUFFICIENCY RECOMMENDATION

Staff has reviewed Aqua's application and recommends that the application be found administratively complete.

Staff has also reviewed Aqua's proposed notice, which is attached to its application as Attachment C. Staff recommends that Aqua include the following phrase in its proposed notice to customers: "Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing and speech impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is June 29, 2018. You must send a letter requesting intervention to the commission which is received by June 29, 2018." Staff recommends that Aqua include the proposed notice with the aforementioned phrase in its next billing cycle. Staff also recommends that the sentence at the end of the first full paragraph be amended as follows: The FTCCR will immediately lower your monthly bills and show up as a new line item until further notice, and has been approved by the PUC on an interim basis.

Staff also recommends that Aqua send out its revised proposed notice promptly with its next billing cycle.

### **III. STAFF'S RECOMMENDATION ON INTERIM RATES**

Staff has reviewed Aqua's request to apply the FTCCR immediately to all services reflected on bills on or after May 1, 2018 as an interim rate before final approval. Staff recommends that Aqua's request for an interim rate be approved, *effective May 1, 2018*, and that the administrative law judge issue an order accordingly.

### **IV. PROPOSED PROCEDURAL SCHEDULE**

Staff proposes the following procedural schedule:

<b>Event</b>	<b>Date</b>
Deadline for Intervention <sup>1</sup>	June 29, 2018
Deadline for Staff to request a hearing, or, if qualified for informal disposition, file a final recommendation	July 6, 2018
Deadline for filing agreed proposed order, if qualified for informal disposition	July 13, 2018

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<sup>1</sup> This date will give sufficient time for ratepayers to receive notice and have an opportunity to intervene in the docket.

## V. CONCLUSION

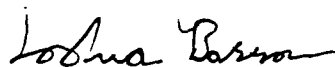
Staff respectfully requests that the ALJ issue an order finding the application administratively complete, ordering Aqua to send revised notice with its next billing cycle, approving interim rates *effective May 1, 2018*, and adopting the proposed procedural schedule.

Respectfully Submitted,

### PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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## CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 25<sup>th</sup> of April, 2018 in accordance with 16 TAC § 22.74.



Joshua Adam Barron