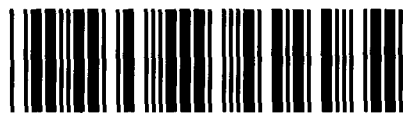




Control Number: 48197



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Addendum StartPage: 0

RECEIVED

APPLICATION OF AQUA TEXAS,  
INC., AQUA UTILITIES, INC., AND  
AQUA DEVELOPMENT, INC. DBA  
AQUA TEXAS FOR A MINOR TARIFF  
CHANGE (FEDERAL TAX CREDIT  
RIDER)

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BEFORE THE PUBLIC UTILITIES  
COMMISSION OF TEXAS  
PILING CLERK

**AQUA’S RESPONSE TO COMMISSION STAFF’S  
SUFFICIENCY RECOMMENDATION**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COMES NOW, Aqua Texas, Inc., Aqua Utilities, Inc., and Aqua Development, Inc. d/b/a Aqua Texas (“Aqua”) and files this Response to Commission Staff’s Sufficiency Recommendation. In support thereof, Aqua would show the following.

On March 26, 2018, Aqua filed an application for approval to implement a new Federal Tax Change Credit Rider (Application). On April 25, 2018, Commission Staff filed its Sufficiency Recommendation on the Application. This pleading is being filed within the five working days to file a response under 16 TAC § 22.78(a) and is therefore timely filed.

In its sufficiency recommendation, Staff recommended that Aqua be ordered to include certain language in Aqua’s customer notices in addition to that proposed. Staff’s additions address customer intervention and comment procedures at the PUC. However, Staff’s recommended language would not apply to municipal proceedings considering Aqua’s Federal Tax Change Credit Rider (FTCCR) request. Aqua has filed its FTCCR request with several municipalities possessing original ratemaking jurisdiction for some Aqua customer connections, but Aqua has not received notice language instructions from any municipality regarding those proceedings.

Aqua's proposed customer notice letter was prepared with intent to mail it to all customers as a bill insert, including those located within municipalities, as a cost-saving measure for this FTCCR process. If directed by a municipality, Aqua will send a follow-up notice to affected customers in those locations. However, this round of notice will need to be distributed to all Aqua customers according to region to work efficiently.

Thus, Aqua respectfully requests that before it is ordered to mail out customer notice letters in the manner recommended by Staff, the ALJ approve Staff's recommended language with clarifying additions as follows:

Persons who wish to intervene in the PUC proceeding (PUC Docket No. 48197) or comment upon PUC 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 PUC proceeding is June 29, 2018. You must send a letter requesting intervention to the commission which is received by June 29, 2018. If directed by a municipal regulatory authority, Aqua may provide customers located within municipalities alternative directions applicable to municipal proceedings concerning the FTCCR request.

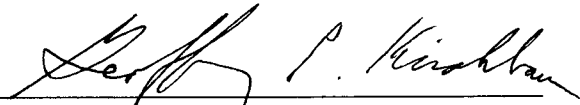
Aqua has conferred with Commission Staff about this request and Commission Staff concurs. Aqua also respectfully requests that the ALJ issue an order as soon as possible to confirm approval for this language as Aqua intends to start mailing bills including the insert next Tuesday, May 1, 2018 (to be continued through Aqua's May billing cycles) and needs at least a day to make sure the inserts can be printed with approved language.

#### **PRAYER**

Aqua Texas, Inc., Aqua Utilities, Inc., and Aqua Development, Inc. d/b/a Aqua Texas respectfully requests, in line with Staff's recommendations, that the Honorable Administrative Law Judge find the Application administratively complete, approve Aqua's requested Federal Tax Change Credit Rider as an interim rate, and adopt the procedural schedule Staff recommends.

Aqua further requests the ALJ approve Staff's recommendation regarding customer notices with incorporation of the additional language discussed in this response. Further, Aqua requests that the ALJ ultimately grant or recommend Commission approval for the Application.

Respectfully submitted,

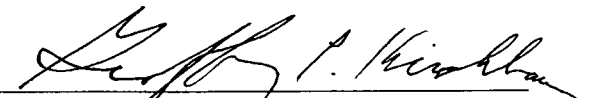
By: 

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**ATTORNEYS FOR AQUA TEXAS, INC.,  
AQUA UTILITIES, INC., AND AQUA  
DEVELOPMENT, INC. D/B/A AQUA TEXAS**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on April 26, 2018 in accordance with P.U.C. Procedural Rule 22.74.

  
Geoffrey P. Kirshbaum