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DOCKET NO. 48342

APPLICATION OF GUM ISLAND
UTILITY FOR AUTHORITY TO
CHANGE RATES

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§

PUBLIC UTILITY COMMISSION
OF TEXAS

2018 MAY 25 AM 10:51
PUBLIC UTILITY COMMISSION
FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF
APPLICATION AND NOTICE**

Comes now the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Commission Staff's Recommendation on Sufficiency of Application and Notice. In support thereof, Staff shows the following:

I. BACKGROUND

On May 3, 2018, a utility calling itself "Whitewing" with Certificate of Convenience and Necessity (CCN) No. 12042 filed for a Class B rate change (the Utility). The holder of CCN No. 12042 is Gum Island Utility.

Order No. 1, issued on May 11, 2018, instructed the Utility to file information about its legal name, form of business, and parent company by May 13, 2018. To date, the Utility has not filed a response to Order No. 1. Order No. 1 also gave Staff a deadline of June 1, 2018 to file a recommendation on the administrative completeness of the Utility's application and notice, as well as a joint proposed procedural schedule. Therefore, this pleading is timely filed.

II. REQUEST FOR EXTENSION

Staff has reviewed the application, and as detailed in the attached memorandum of Andrew Novak and Sean Scaff of the Commission's Water Utilities Division, Staff recommends that the Utility's application and notice be found deficient and therefore not administratively complete. Mr. Novak and Mr. Scaff's memorandum provides detailed recommendations on what the Utility needs to provide in order to have an administratively complete application, including filing the affidavit of completeness attached to the memorandum. Staff recommends that the effective date of the requested rate change be suspended pursuant to Texas Water Code Annotated § 13.1871(e) and 16 Texas Administrative Code (TAC) § 24.26(b)(1).

III. RECOMMENDATION ON ANNUAL REPORT

As detailed in Mr. Novak and Mr. Scaff's attached memorandum Staff recommends that the Utility timely submit its annual operations report, which due on June 1, 2018, in Docket No. 47833.¹

III. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule:

Event	Date
Deadline for Gum Island to amend its application and cure deficiencies	June 12, 2018
Deadline for Staff's supplemental recommendation on administrative completeness	June 26, 2018

IV. CONCLUSION

Staff respectfully requests that the Administrative Law Judge find the application and notice administratively incomplete, adopt the above proposed procedural schedule, and order that the effective date of rates be suspended until the application and notice is determined to be administratively complete.

¹ 16 Tex. Admin. Code § 24.73.

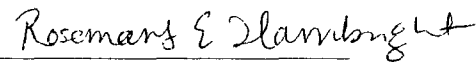
Dated: May 25, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

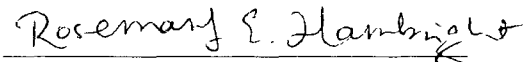


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 25, 2018, in accordance with 16 TAC § 22.74.



Rosemary E. Hambright

PUC Interoffice Memorandum

To: Rosemary Hambright
Legal Division

Thru: Tammy Benter, Division Director
Debi Loockerman, Manager
Water Utilities Regulation Division

From: Sean Scaff, Engineering Specialist
Andrew Novak, Financial Analyst
Water Utilities Regulation Division

Date: May 25, 2018

Subject: **Docket No 48342**, *Application of Gum Island Utility Co. for a Rate/Tariff Change*

On May 3, 2018, a Utility referring to itself as Whitewing (Applicant), Certificate of Convenience and Necessity (CCN) No. 12042, filed with the Public Utility Commission of Texas (Commission) an application to change its tariff and increase its water service rates pursuant to Texas Water Code (TWC) §13.1871 and 16 Tex. Admin. Code (TAC) §§24.21-24.26 (TAC).

Staff reviewed the application, found deficiencies, and therefore recommends that the application and notice be deemed insufficient for filing. Furthermore, in order to correct the deficiencies, Staff recommends the Applicant do the following:

- Provide documentation supporting the legal name of the utility. The Applicant is claiming that the utility name is Whitewing. However, CCN No. 12042 is registered to Gum Island Utility Company;
- Provide a proposed notice;
- Provide tariff pages changed to reflect the proposed rate changes;
- Provide the affidavit of notice to ratepayers. The attachments can be found on the Commission website at the following link:
http://www.puc.texas.gov/industry/water/Forms/44706-13-1871_Class_B_Notice_Fillable.pdf;
- Provide a completed copy of the attached affidavit of completeness (attached).
- Reference Schedule III-1 of the application. Provide a rate of return on equity and cost of long-term debt, as a percentage, and compute the monetary amount of the rate of return accordingly. Update other schedules that rely on the results of Schedule III-1 as appropriate.

- Provide a copy of the Applicant's currently approved tariff.

In addition to the above items required for sufficiency, Staff requests that the Applicant submit an annual report which is due on June 1, 2018 for operations completed December 31, 2017 as required by 16 TAC § 24.73. Instructions for submitting an annual report can be found on the Commission's website: http://www.puc.texas.gov/industry/water/Forms/Class_C_Water-Sewer_Annual_Report_2015_and_later.pdf. Staff also requests that the Applicant continue to do this for every year after.

(Company Name)

(For Test Year Ended)

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent.)

State of _____

as:

County of _____

_____ makes oath and says that he/she is _____
(Name of Affiant) (Official Title of Affiant)

of _____
(Exact Legal Title or Name of the Respondent)

The signed officer has reviewed the rate application.

Based on the officer's knowledge, the rate application does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, operations and other financial information included in the rate application, fairly present in all material respects the financial condition and results of operations of the preparers as of, and for, the periods presented in the rate application.

He/she swears that all other statements contained in the said rate application are true, and that the said rate application is a correct and complete statement of the business and the above-named respondent during the test year time frame of _____ to _____, and including any additional time frames aside from the aforementioned test year resulting from rate case requests for information.

Subscribed and sworn to and before me, a _____ in and for the State and County above-named, this _____ day of _____.

(Signature of Affiant)

My commission expires _____.
(Signature of Officer Authorized to Administer Oaths)