



Control Number: 48584



Item Number: 3

Addendum StartPage: 0

APPLICATION OF COMMUNITY  
WATER COMPANY FOR APPROVAL  
OF A PASS-THROUGH RATE CHANGE

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§

PUBLIC UTILITY COMMISSION

OF TEXAS  
FILED  
CLERK

### COMMISSION STAFF'S RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation. In support thereof, Staff shows the following:

#### I. BACKGROUND

On August 9, 2018, Community Water Company (Community) filed for approval of a pass-through rate change to implement its approved purchased water pass-through clause pursuant to 16 Texas Administrative Code (TAC) §24.21. The purchased water pass-through clause will only pass through costs associated with water purchases from the City of Corsicana.

On August 13, 2018, the Administrative Law Judge issued a Notice requiring Staff to file a recommendation on Community's application and sufficiency of notice and to propose a procedural schedule by September 10, 2018. This pleading is therefore timely filed.

#### II. STAFF'S RECOMMENDATION

Consistent with the attached memorandum of Kathryn Eiland, Financial Analyst with the Water Utility Regulation Division, Staff recommends that Community's application is found insufficient for filing at this time. Specifically, Staff recommends that Community issue new notice to customers consistent with the exact wording listed in 16 TAC § 24.21(b)(2)(F)(ii)(VI) and file an affidavit attesting that notice was completed.

#### III. CONCLUSION

Staff respectfully requests the issuance of an order consistent with the above recommendations.

Dated: September 7, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

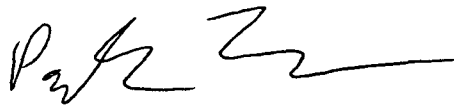


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**TARIFF CONTROL NO. 48584**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on September 7, 2018, in accordance with 16 TAC § 22.74.



Patrick D. Todd

## PUC Interoffice Memorandum

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**To:** Patrick Todd, Attorney  
Legal Division

**Through:** Debi Loockerman, Financial Manager  
Water Utility Regulation

**From:** Kathryn Eiland, Financial Analyst  
Water Utility Regulation

**Date:** August 27, 2018

**Subject:** **Tariff Control No. 48584;** *Application of Community Water Company for a Pass-Through Rate Change*

On August 9, 2018, Community Water Company (Applicant), Certificate of Convenience and Necessity No. 10534, filed an application to implement a pass-through rate change pursuant to 16 Texas Administrative Code § 24.21 for an increase in purchased water fees from the City of Corsicana effective October 1, 2018. The Applicant proposes to increase their current pass-through rate from \$6.93 to \$7.22 for customers in the Beaton Lake Estates Subdivision, from \$7.21 to \$7.62 for customers in the Purdon Subdivision and from \$6.70 to \$7.11 for customers in the Retreat Subdivision for water used after November 20, 2018.

The Applicant provided the following for each subdivision:

1. Documentation from the City of the purchased water cost increase;
2. Historical documentation of line loss for one year;
3. Calculations and assumptions used to determine the new rate;
4. A copy of the notice to customers; and
5. A copy of the rate pages of its tariff.

Staff reviewed the application and confirmed that the City increased the three tiers in its volumetric rates by \$0.35 per 1,000 gallons for wholesale customers inside the city limits. Staff reviewed the notice to customers and found that it did not include the present calculation of the \$6.93 gallonage charge or the required language according to 16 TAC § 24.21. Additionally, Staff noted that the PWS corresponding number for each subdivision issued by Texas Commission on Environmental Quality (TCEQ) was omitted from the application. However, Staff was able to obtain the number from the TCEQ Drinking Water Watch website for Beaton Lakes Estates System as 1750035, Purdon Water System as 1750018 and Retreat Water System as 1750031.

Based on Staff's review of the application, Staff recommends that it be deemed insufficient for filing at this time. Staff recommends that the Applicant do the following to resolve the deficiencies.

1. Issue a new notice to customers to include the exact wording listed in 16 TAC § 24.21(b)(2)(F)(ii)(VI); and

2. File an affidavit attesting that notice was completed.