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DOCKET NO. 48683

**APPLICATION OF FREMONT
WATER COMPANY FOR A PRICE
INDEX RATE ADJUSTMENT**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

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PUBLIC UTILITY COMMISSION

**COMMISSION STAFF'S RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Recommendation on Administrative Completeness in response to Order No. 1. In support thereof, Staff shows the following:

I. BACKGROUND

On September 13, 2018, Fremont Water Company (Fremont) filed an application for a price index rate adjustment under Tex. Water Code (TWC) § 13.1872 and 16 Texas Administrative Code (TAC) § 24.36 for water certificate of convenience and necessity number 12821. Staff filed a letter of deficiency on September 25, 2018. To date, Fremont has not responded to the deficiencies set out by Staff.

On September 18, 2018, the Administrative Law Judge (ALJ) issued Order No. 1 requiring Staff to file a recommendation on the administrative completeness of the Application and notice on or before October 12, 2018. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum of Kathryn Eiland in the Commission's Water Utility Regulation Division, Staff has reviewed the Application and recommends that it be found administratively incomplete.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively incomplete. Staff therefore recommends that a deadline of November 12, 2018, be established for Fremont to supplement its application. Staff further recommends that a deadline of December 12, 2018 be established for Staff to review Fremont's supplemental information and make a supplemental recommendation on the administrative completeness of the application.

IV. CONCLUSION

For the reasons discussed above, Staff recommends that the application be found administratively incomplete. Staff further recommends that the procedural schedule proposed above be adopted for further processing of this docket.

Dated: October 10, 2018

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on October 10, 2018 in accordance with 16 TAC § 22.74.



Skyler Springsteen Collins

PUC Interoffice Memorandum

To: Skyler Collins, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Water Utility Regulation Division

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation Division

Date: October 9, 2018

Subject: **Docket No. 48683:** *Application of Fremont Water Company for a Price Index Rate Adjustment*

On September 13, 2018, Fremont Water Company (Applicant) filed an application for a price index rate adjustment. Pursuant to Tex. Water Code Ann. (TWC) § 13.1872 and 16 Tex. Admin. Code (TAC) § 24.36(c), a utility may request to increase its tariffed monthly fixed customer or meter charges and monthly gallonage charges. In this case, the Applicant is requesting approval to adjust its water monthly meter charge and gallonage rate based upon the Commission's price index of 3.50%. The Applicant provided:

1. A Class C Water and Sewer Utility Request for a Price Index Rate Adjustment;
2. A proposal for the provision of notice for the approved price index change; and
3. A copy of the relevant pages of the utility's currently approved tariff.

Staff reviewed the application and determined that it included errors and was incomplete. Specifically, the application contained the following errors and/or deficiencies:

1. Pursuant to 16 TAC § 24.36(f), the application should be filed in the month that corresponds with the last two digits of the utility's CCN number. The last two digits of Fremont's CCN number are 21. Therefore, the application should be filed in March unless good cause can be shown for filing in a different month. If there is a specific reason for filing in September, please provide an explanation and a request for a good cause exception.
2. Reference page 2 of the application. The gallons included in the water base rates were not provided. Please indicate if this should be zero or some other number.
3. Reference page 3 of the application. Block gallonage rates were provided. According to the most recent tariff on file, there is a gallonage charge per 1,000 gallons but no block gallonage charges. Please update this information.

4. Reference page 1 of the notice. The public water system(s), sewer system(s), and/or subdivision(s) that would be affected by the rate adjustment were not identified. Please provide the public water system(s) and/or subdivision(s).
5. Reference page 1 of the notice. The water billing comparison calculations using the previous and new rate are incorrect. Please calculate the previous and new billing comparison using the base charge and gallonage charge.

The Applicant was contacted and asked to provide additional information by October 6, 2018 to resolve the deficiencies. Since the Applicant has not provided the requested information, Staff recommends that the application be deemed insufficient and administratively incomplete.

Staff recommends that the Applicant file an amended application which addresses all the errors and deficiencies listed above in order for Staff to recommend a sufficient application.