

Control Number: 48804



Item Number: 5

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APPLICATION OF CHUCK BELL §
WATER SYSTEMS, LLC FOR A §
PRICE INDEX RATE ADJUSTMENT §

2018 NOV 20 PM 3:25
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS AND RECOMMENDATION ON FINAL
DISPOSITION**

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

I. BACKGROUND

On October 18, 2018, Chuck Bell Water Systems, LLC (CBWS) filed an application (Application) for a price index rate adjustment under Tex. Water Code § 13.1872 (TWC) and 16 Texas Administrative Code (TAC) § 24.49.¹

On October 23, 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 November 19, 2018. Staff filed their Recommendation on Administrative Completeness on November 16, 2018, recommending that the ALJ find the application administratively incomplete because CBWS had not answered the ALJ's questions in Order No. 1. CBWS filed their response to Order No. 1 on November 19, 2018. Staff now files this Supplemental Recommendation in response to CBWS's Response. 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 complete and accepted for filing under TWC § 13.1872 and 16 TAC § 24.49.

¹ Formerly 16 Tex. Admin. Code § 24.36.

III. RECOMMENDATION ON FINAL DISPOSITION

Staff conducted a technical review of the Application under TWC § 13.1872 and 16 TAC § 24.49. Under TWC § 13.1872 and 16 TAC § 24.49, the Commission may adjust the rates of a Class C utility without the need for a hearing. Based upon the attached memorandum of Kathryn Eiland of the Commission's Water Utility Regulation Division, Staff recommends approval of the Application for an increase in water rates for CBWS. Approval of the Application would result in the approval of CBWS's proposed rates reflected in the attached memorandum. Staff has attached compliance tariff pages reflecting the proposed rate adjustment to this pleading.

IV. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for further processing of this docket:

Event	Deadline
Deadline for CBWS to provide notice to customers	December 10, 2018

V. CONCLUSION

For the reasons stated above, Staff recommends that the Application be deemed administratively complete. Staff further recommends the Application be approved and CBWS be ordered to provide notice of the proposed change using only the notice pages as approved by the Commission at least 30 days before the effective date of the proposed change.


Dated: November 20, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

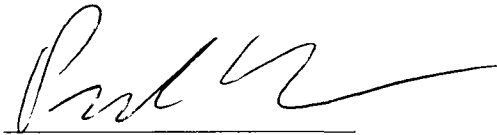


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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on November 20, 2018 in accordance with 16 TAC § 22.74.



Patrick D. Todd

PUC Interoffice Memorandum

To: Patrick Todd, Attorney
Legal Division

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

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation Division

Date: November 19, 2018

Subject: **Application No. 48804;** *Application of Chuck Bell Water Systems, LLC for a Price Index Rate Adjustment*

On October 18, 2018, Chuck Bell Water Systems, LLC (Applicant) filed an application for a price index rate adjustment. Pursuant to Tex. Water Code Ann. § 13.1872 and 16 Texas Administrative Code (TAC) § 24.49(c), a utility may request an increase to 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 monthly gallonage rate based upon the Commission price index of 3.50%. The Applicant provided:

- 1) A completed Class C Water Utility Request for a Price Index Rate Adjustment;
- 2) A proposal for the provision of notice for the approved price index change;
- 3) A copy of the relevant pages of the utility's currently approved tariff and,
- 4) A filing in the correct assigned month of October.

The Applicant previously filed a price index adjustment application in October of 2017. This filing is the third price index adjustment for the Applicant. Therefore, the Applicant may file one more price index adjustment in accordance with TWC § 13.187(f).

The notice submitted with the Application provided for 30 day notice prior to the effective date as required by 16 TAC § 24.49(e). However, Staff did note that it did not disclose that 0 gallons were included in the water base rate. Staff has prepared an amended notice to correct this. Additionally, the Applicant correctly proposed increasing the gallonage rate for water from \$3.60 to \$3.73 per 1,000 gallons. The following table includes the previously approved and proposed water base rate by meter size:

Meter size (includes 0 gallons)	Approved Tariff base rate	Proposed Rate Adjustment
5/8" or 3/4"	\$41.27	\$42.71
3/4"	\$61.90	\$64.07
1"	\$103.16	\$106.77
1½"	\$206.33	\$213.55
2"	\$330.12	\$341.67

Staff identified that the Applicant correctly calculated billing comparisons for water using the base rate and block gallonage charges from the previous tariff rates and the proposed tariff rates.

Based upon review of the information submitted with the application, Staff recommends that the Commission:

- a) Approve the Class C Rate Adjustment and authorize the Applicant to collect water base rates and the gallonage rate as proposed in the application;
- b) Order the Applicant to provide notice (attached) in accordance with 16 TAC § 24.49(e) by December 10, 2018.
- c) Approve the effective date of February 1, 2019 to coincide with an appropriate billing cycle and to meet the 30 day notice requirement; and
- d) Approve the attached tariff pages.