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DOCKET NO. 48980

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PUBLIC UTILITY COMMISSION  
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FILED OF TEXAS

APPLICATION OF FRIO CANYON  
WATER, LLC FOR AUTHORITY TO  
CHANGE RATES

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**COMMISSION STAFF'S SUPPLEMENTAL 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 Supplemental Recommendation on Sufficiency of Application and Notice. In support thereof, Staff shows the following:

**I. BACKGROUND**

On December 14, 2018, Frio Canon Water, LLC (Frio) filed an application for authority to change rates for the Frio Canon Water System with a proposed effective date for the rate change of January 31, 2019.

On February 1, 2019, Order No. 2 was issued, requiring Frio to cure deficiencies in its application by February 14, 2019. On February 12-13, 2019, Frio filed additional documentation, and clarified its previous responses. Order No. 2 also required Staff to file a supplemental recommendation on the administrative completeness of the application and notice and to propose a procedural schedule, if appropriate, by February 28, 2019. Therefore, this pleading is timely filed.

**II. RECOMMENDATION ON SUFFICIENCY AND NOTICE**

Staff has reviewed the application pursuant to Texas Water Code (TWC) § 13.13871 and 16 Texas Administrative Code (TAC) §§ 24.25-29, as detailed in the attached memorandum of Nabaraj Pokharel and Andrew Novak of the Commission's Water Utility Regulation Division, and recommends that the application be found sufficient for filing. Staff further recommends that Frio be required to provide notice to its ratepayers with the effective date updated to satisfy the requirement that Frio provides notice 35 days before the effective date of the proposed change,

with a service list be attached to the notice including the names of each affected municipality, if any, and other affected parties, including the Office of Public Utility Counsel.<sup>1</sup>

### **III. PROPOSED PROCEDURAL SCHEDULE**

Staff proposes the following procedural schedule:

<b>Event</b>	<b>Date</b>
Deadline for Frio to file the updated notice with a new proposed effective date for the rate increase	March 21, 2019
Deadline for Staff's supplemental recommendation on administrative completeness	April 5, 2019

### **IV. CONCLUSION**

Staff respectfully requests that the Administrative Law Judge find the application sufficient and order that the applicant comply with the notice recommendations detailed above and in the attached memorandum.

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<sup>1</sup> TWC § 13.1871; 16 TAC §§ 24.33(c), 24.27(d).

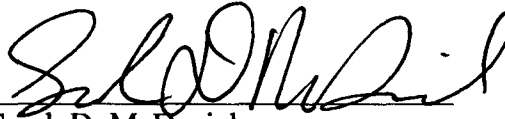
**DATED:** February 28, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

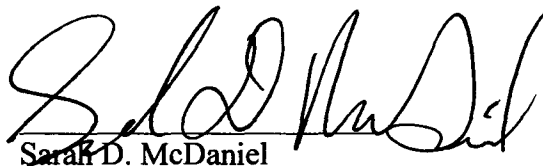


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on February 28, 2019, in accordance with 16 TAC § 22.74.



Sarah D. McDaniel

## PUC Interoffice Memorandum

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**To:** Sarah McDaniel, Attorney  
Legal Division

**Thru:** Debi Loockerman, Manager  
Water Utility Regulation Division

**From:** Andrew Novak, Financial Analyst  
Nabaraj Pokharel, Engineering Specialist  
Water Utility Regulation Division

**Date:** February 28, 2019

**Subject:** **Docket No. 48980**, *Application of Frio Canyon Water, LLC, for Authority to Change Rates*

On December 13, 2018, Frio Canon Water, LLC (Applicant) filed an application with the Public Utility Commission of Texas (Commission) for authority to change rates affecting Certificate of Convenience and Necessity (CCN) No. 13145. An administrative review of the application and notice has been made pursuant to Texas Water Code (TWC) § 13.13871 and 16 Texas Administrative Code (TAC) §§ 24.25-29.

Staff filed a deficiency recommendation on January 30, 2019 requiring more information in order to process this application. On February 12-13, 2019, the Applicant filed supplemental information in order to address and satisfy the deficiencies listed in Staff's deficiency recommendation. After review of the application and supplemental information filed by the Applicant, Staff recommends the application be found administratively complete and sufficient for filing. Furthermore, Staff recommends that the Commission order the Applicant to provide notice to the Applicant's ratepayers with the effective date updated to satisfy the notice requirements in TWC § 13.1871, and 16 TAC §§ 24.33(c) and 24.27(d) at least 35 days before the effective date of the proposed change. Staff further recommends that a service list be attached to the notice including the names of each affected municipality, if any, and other affected parties, including the Office of Public Utility Counsel.