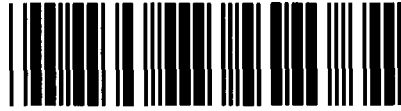


Control Number: 49267



Item Number: 3

Addendum StartPage: 0

RECEIVED

APPLICATION OF AQUA §
UTILITIES, INC., AQUA §
DEVELOPMENT, INC., KERRVILLE §
SOUTH WATER COMPANY, INC., §
AND HARPER WATER COMPANY, §
INC. DBA AQUA TEXAS FOR A §
PASS-THROUGH RATE CHANGE §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
OF TEXAS
FILING CLERK

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

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on Administrative Completeness in response to a Notice Setting Deadline for Commission Staff’s Recommendation and would show the following:

I. BACKGROUND

On February 27, 2019, Aqua Utilities, Inc., Aqua Development, Inc., Kerrville South Water Company, Inc., and Harper Water Company, Inc. d/b/a Aqua Texas (Aqua Texas) filed a true-up report in compliance with its Southwest Region tariff and a request for approval of a pass-through gallonage charge decrease from \$1.5413 to \$1.3703 per 1,000 gallons. Aqua Texas requested an effective date of March 1, 2019, for the pass-through rate change.

On March 5, 2019, a Notice Setting Deadline for Commission Staff’s Recommendation was issued, establishing a deadline of March 29, 2019, for Staff to file a recommendation on the application, address notice requirements, and propose a procedural schedule, if necessary. This pleading is therefore timely filed.

II. RECOMMENDATION AND NOTICE

As detailed in the attached memorandum from Kathryn Eiland in the Commission’s Water Utility Regulation Division, Staff has reviewed Aqua Texas’s filing and recommends that it be deemed administratively incomplete. Specifically, the filing does not contain the a list of all affected certificate of convenience and necessity numbers required by 16 Texas Administrative Code (TAC) § 24.25(b)(2)(F)(i)(I). The filing also does not contain a copy of the notice provided

to customers, required by 16 TAC § 24.25(b)(2)(F)(i)(III). Additionally, the filing contains insufficient information supporting the costs incurred, required by 16 TAC § 24.25(b)(2)(F)(i)(IV). Staff therefore recommends that the filing be deemed administratively incomplete and that Aqua Texas be directed to provide the missing information as further detailed in the attached memorandum. Staff also recommends that an interim pass-through rate of \$1.3703 per 1,000 gallons be established with an effective date of March 1, 2019, pending final disposition of this proceeding.

III. PROCEDURAL SCHEDULE

Staff recommends that a deadline of April 29, 2019, be established for Aqua Texas to provide the necessary information. Staff further recommends that a deadline of May 29, 2019, be established for Staff to file a supplemental recommendation on the application.

IV. CONCLUSION

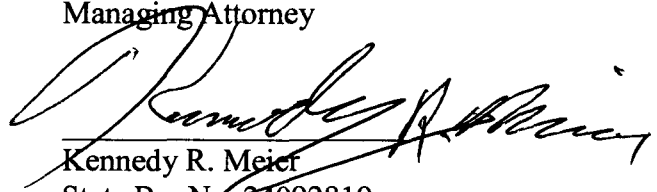
For the reasons detailed above, Staff recommends that Aqua Texas's filing be deemed administratively incomplete, that Aqua Texas be directed to provide the necessary information, that an interim pass-through rate of \$1.3703 per 1,000 gallons be established with an effective date of March 1, 2019, and that the procedural schedule proposed above be adopted for further processing of this matter.

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

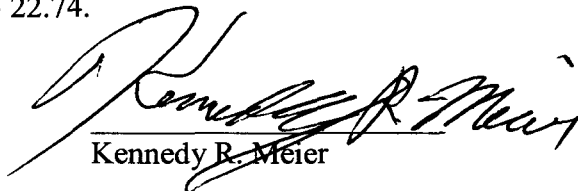


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TARIFF CONTROL NO. 49267

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 29th of March, 2019 in accordance with 16 TAC § 22.74.



Kennedy R. Meier

PUC Interoffice Memorandum

To: Kennedy Meier, Attorney
Legal Division

Through: Debi Loockerman, Financial Manager
Water Utility Regulation Division

From: Kathryn Eiland, Financial Analyst
Water Utility Regulation Division

Date: March 29, 2019

Subject: **Tariff Control No. 49267; *Application of Aqua Utilities, Inc., Aqua Development, Inc., Kerrville South Water Company, Inc., and Harper Water Company, Inc. dba Aqua Texas for a Pass-Through Rate Change***

On February 27, 2019, Aqua Utilities, Inc., Aqua Development, Inc., Kerrville South Water Company, Inc., and Harper Water Company, Inc. dba Aqua Texas (Aqua Texas or Applicant) submitted its Southwest Region Regional Pass-Through Gallonage Charge True-Up Report for the completed 2018 calendar year. The new pass-through gallonage charge will decrease from \$1.5413 per 1,000 gallons to \$1.3703 per 1,000 gallons. The pass-through rate decrease was effective March 1, 2019.

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. Provide the CCN number(s) affected by this application;
2. Provide invoices from each entity for pass-through costs incurred during August 2018;
and
3. Provide a copy of the notice to customers that includes the information required by 16 Texas Administrative Code (TAC) §24.25(b)(2)(F)(ii).

Staff also recommends that an interim rate be set at the proposed rate of \$1.3703 until a final ruling is issued on the application.