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DOCKET NO. 49425

**APPLICATION OF UA HOLDINGS 1994- §
5 L.P. DBA SC UTILITIES FOR A PRICE §
INDEX RATE ADJUSTMENT FOR THE §
SUNRISE RANCH WASTEWATER §
TREATMENT PLANT §**

PUBLIC UTILITY COMMISSION: 30
OF TEXAS
2019 MAY 6
FUELIS...
FILING CLERK

**COMMISSION STAFF'S 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 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 April 5, 2019, UA Holding 1994-5 L.P. d/b/a SC Utilities (SC Utilities) 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.

On April 9, 2019, 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 May 6, 2019. Therefore, this pleading is timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum of Spencer English 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.

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 Spencer English of the Commission's Water Utility Regulation Division, Staff recommends approval of the Application for an increase in sewer rates for SC Utilities. Approval of the Application would

result in the approval of SC Utilities' proposed rates reflected in the attached memorandum. Staff has attached compliance tariff pages reflecting the proposed rate adjustment to this pleading.

A utility may adjust its rates under TWC § 13.1872 not more than once each year and not more than four times between rate proceedings under 13.1871, pursuant to TWC § 13.1872(f). Staff notes that this docket was filed at the same time as two other dockets by the same utility, each seeking to adjust the rate for an individual system on the same tariff.¹ As each system on the utility is having a single adjustment, Staff recommends that these 3 dockets are in compliance with TWC § 13.1872.

IV. PROPOSED PROCEDURAL SCHEDULE

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

Event	Deadline
Deadline for SC Utilities to provide notice to customers	June 1, 2019

V. CONCLUSION

For the reasons stated above, Staff recommends that the Application be deemed administratively complete. Staff further recommends the Application be approved and SC Utilities 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.

¹ *Application of UA Holdings 1994-5 L.P. DBA SC Utilities for a Price Index Rate Adjustment for the Meadow Vista Business Park*, Docket No. 49423 (pending); *Application of UA Holdings 1994-5 L.P. DBA SC Utilities for a Price Index Rate Adjustment for the Spring Cypress Shopping Center*, Docket No. 49424 (pending).

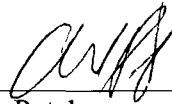
Dated: May 6, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 6, 2019
in accordance with 16 TAC § 22.74.



Alexander Petak

PUC Interoffice Memorandum

To: Alexander Petak, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Water Utilities Regulation Division

From: Spencer English, Financial Analyst
Water Utility Regulation Division

Date: May 3, 2019

Subject: **Application No. 49425;** *Application of UA Holdings 1994-5 L.P. dba SC Utilities for a Price Index Rate Adjustment for the Sunrise Ranch Wastewater Treatment Plant*

On April 5, 2019, UA Holdings 1994-5 L.P. dba SC Utilities (Applicant) filed an application for a price index rate adjustment for the Sunrise Ranch Subdivision. Pursuant to Tex. Water Code Ann. (TWC) § 13.1872 and 16 Tex. Admin. Code (TAC) § 24.49(c) a utility may request an increase to its tariffed rates. In this case, the Applicant is requesting approval to adjust its sewer monthly meter rates based upon the Commission price index of 3.20%. The Applicant provided:

- 1) A completed Class C Water or Sewer 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 April.

The Applicant filed one prior price index adjustment application affecting the Sunrise Ranch Subdivision's sewer rates, which was withdrawn. Therefore, after this application, the Applicant may file three more price index adjustments 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).

The following table includes the previously approved and proposed sewer base rate:

Meter size	Approved tariff base rate	Proposed Rate Adjustment
All Meter Sizes	\$ 47.00	\$ 48.50

The following table includes the previously approved and proposed sewer gallonage rate per 1,000 gallons:

Approved tariff base rate	Proposed Rate Adjustment
\$ 8.00	\$ 8.26

Staff identified that the Applicant correctly calculated billing comparisons for sewer using the base rate 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 sewer base rate as proposed in the application;
- b) Order the Applicant to provide notice to customers in accordance with 16 TAC § 24.49(e) by June 1, 2019.
- c) Approve the effective date of July 1, 2019 to coincide with an appropriate billing cycle and to meet the 30 day notice requirement.
- d) The Applicant is the same Applicant as dockets 49423 and 49424. The approved tariff pages will be supplied in docket 49423.