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TARIFF CONTROL NO. 49625

APPLICATION OF CODY & ANITA §
LEWIS DBA WATER WORKS I & II §
FOR A PASS THROUGH RATE §
CHANGE §

PUBLIC UTILITY COMMISSION
OF TEXAS

2019 SEP 13 PM 1:33
PUBLIC UTILITY COMMISSION
FILING CLERK

STAFF'S SUPPLEMENTAL RECOMMENDATION ON SUFFICIENCY AND FINAL RECOMMENDATION

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas, representing the public interest and files this supplemental recommendation. Staff recommends that the application is now sufficient and should be approved. In support thereof, Staff would show the following:

I. BACKGROUND

On June 11, 2019, Cody & Anita Lewis dba Water Works I and II (Water Works), Certificate of Convenience and Necessity No. 11674, filed an application to implement a pass-through rate change pursuant to 16 Tex. Admin. Code (TAC) § 24.25. The pass-through adjustment is for a monthly pass-through base fee and a water pass-through gallonage charge for the subdivisions of Water Works I Floyd Acres and Water Works II Island Lodges.

On July 16, 2019, the Administrative Law Judge (ALJ) found the application deficient and set September 6, 2019 as the deadline for Staff to file a supplemental recommendation on Water Works' application and notice. Subsequently, Staff requested, and was granted, an extension of that deadline to September 13, 2019. This pleading, therefore, is timely filed.

II. APPLICATION & NOTICE SUFFICIENCY RECOMMENDATION

Staff has reviewed Water Works' application and notice and has undertaken discussions with the applicant to better understand the methodology used in the application. As supported by the attached memorandum of Spencer English of the Rate Regulation Division, Staff now finds that the application contains the necessary and sufficient information to be evaluated under 16 TAC § 24.25.

Further, notice in this proceeding is governed by 16 TAC § 24.25, which states that the ALJ may require a party to provide reasonable notice to affected persons. Staff reviewed the

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notice attached to the application and determined that the affected customers have been appropriately informed of the proposed rate change.

III. RECOMMENDATION ON FINAL DISPOSITION

After review, Staff has determined that the application complies with the requirements of 16 TAC § 24.25. Therefore, as supported by Mr. English's attached memorandum, Staff recommends that Water Works' application to pass through to its customers Corix's increased purchased water fees be approved, effective July 1, 2019. Staff recommends a change to the Corix pass-through rate that would result in a monthly minimum charge of \$42.11 per connection per month plus \$13.82 (including 15% water line loss) per 1,000 gallons of usage above 1,000 gallons included in the monthly minimum for Water Works I Floyd Acres. Staff further recommends for Water Works II Island Lodges a pass-through rate change of \$21.01 per connection per month plus \$13.82 (including 15% water line loss) per 1,000 gallons of usage above 1,000 gallons included in the base rate. The gallonage rate requested includes \$2.07 compensation for line loss of 15% calculated in accordance with the pass-through equation listed on the tariff.

In accordance with this approval recommendation, Staff does not propose a procedural schedule.

IV. CONCLUSION

Staff respectfully recommends that Water Works' application and notice be found sufficient and that the application be approved.

Dated: September 13, 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 this the 13th day of September 2019 in accordance with 16 TAC § 22.74.


Creighton R. McMurray