



Control Number: 49625



Item Number: 3

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RECEIVED

APPLICATION OF CODY & ANITA
LEWIS DBA WATER WORKS I & II
FOR APASS THROUGH RATE
CHANGE

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PUBLIC UTILITY COMMISSION
OF TEXAS

COMMISSION STAFF’S SUFFICIENCY RECOMMENDATION

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this recommendation. Staff recommends that the application be found insufficient and applicant be given the opportunity to cure. In support thereof, Staff would show the following:

I. BACKGROUND

On June 11, 2019, Cody & Anita Lewis dba Water Works I & II (Water Works) requested approval to charge 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. The requested effective date for the increased rate changes is July 1, 2019.

On June 14, 2019, the Administrative Law Judge (ALJ) issued a Notice, setting a deadline for Staff’s recommendation on the application, notice, and to propose a procedural schedule by July 11, 2019. This pleading, therefore, is timely filed.

II. STAFF’S RECOMMENDATION

Staff has reviewed Water Works’ application, and as supported by the attached memorandum of Spencer English of the Commission’s Water Utility Regulation Division, Staff recommends that the application be deemed administratively incomplete and deficient. The memorandum sets forth the information required from Water Works to supplement and cure the deficiencies.

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III. PROPOSED PROCEDURAL SCHEDULE

Due to the deficiencies in the application, Staff does not recommend a procedural schedule for evaluation of the merits at this time. Instead, Staff recommends that Water Works be given until August 9, 2019, to remedy the identified deficiencies and that Staff be required to provide a supplemental recommendation by September 6, 2019.

IV. CONCLUSION

Staff respectfully requests that the ALJ issue an order consistent with this recommendation.

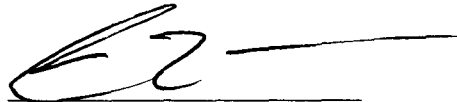
Dated: July 11, 2019

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney



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DOCKET NO. 49625

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 11th of July, 2019 in accordance with 16 TAC § 22.74.



Creighton R. McMurray

PUC Interoffice Memorandum

To: Creighton McMurray, Attorney
Legal Division

Thru: Debi Loockerman, Financial Manager
Water Utility Regulation

From: Spencer English, Financial Analyst
Water Utility Regulation

Date: July 3, 2019

Subject: **Tariff Control No. 49625; Application of Cody & Anita Lewis dba Water Works I & II for a Pass Through Rate Change**

On June 11, 2019, Cody & Anita Lewis dba Water Works I & II (Applicant), Certificate of Convenience and Necessity No. 11674, filed an application to implement a pass-through rate change pursuant to 16 Texas Administrative Code (TAC) § 24.25 for an increase in the purchased water billed by Corix Utilities Texas, Inc. (Corix).

The Applicant's previous Corix pass-through rate included \$18.00 per connection per month plus \$11.65 (including 15% water line loss) per 1,000 gallons over the minimum for Water Works I Floyd Acres, Public Water System (PWS) ID 1500018, and a pass-through rate change that would include \$10.08 per connection per month plus \$11.65 (including 15% water line loss) per 1,000 gallons over the minimum for Water Works II Island Lodges, PWS ID 1500019.

The Applicant requested a Corix pass-through rate change that would include \$42.11 per connection per month plus \$13.82 (including 15% water line loss) per 1,000 gallons over the minimum for Water Works I Floyd Acres, PWS ID 1500018, and a pass-through rate change that would include \$21.01 per connection per month plus \$13.82 (including 15% water line loss) per 1,000 gallons over the minimum for Water Works II Island Lodges, PWS ID 1500019. The request includes \$2.07 compensation for line loss of 15% calculated in accordance with the pass-through equation listed on the tariff.

The Applicant included \$12,312 of purchased water in the cost of service, in the previous rate case, according to the TCEQ Application No. 34769-G. Therefore, of the \$39,600 of Corix base fees billed to the Applicant, \$27,288 was requested to be equally divided amongst the two systems, and subsequently divided by the number of connections within each system. The purchased water included in the cost of service should be adjusted for the variation of the number of connections within each system, meaning if the number of connections have increased or decreased since the previous rate case, then the actual amount collected through retail rates will differ from the included \$12,312.

Based on review of the application and notice Staff recommends that the application be deemed insufficient for filing until further clarification can be provided to nullify the discrepancies in the number of customer connections.