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**DOCKET NO. 49786**

**APPLICATION OF CEDRON CREEK  
RANCH WATER SUPPLY FOR  
AUTHORITY TO CHANGE RATES**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**COMMISSION STAFF'S FOURTH SUPPLEMENTAL RECOMMENDATION ON  
ADMINISTRATIVE COMPLETENESS**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Fourth Supplemental Recommendation on Administrative Completeness. In support thereof, Staff would show the following

**I. BACKGROUND**

On July 24, 2019, Cedron Creek Ranch Water Supply (Cedron) filed an application for authority to change rates pursuant to Texas Water Code (TWC) § 13.1781 and § 13.1872(c)(2) and 16 Texas Administrative Code (TAC) §§ 24.25-24.44. Order No. 5, issued on February 4, 2020, found the application administratively incomplete and established March 3, 2020, as the deadline for Cedron to cure deficiencies in the application

On February 18, 2020, Cedron filed a revised copy of the Notice of Proposed Rate Change and an affidavit of notice.

Order No. 5 also established a deadline for Staff to file a supplemental recommendation regarding administrative completeness, along with a proposed procedural schedule, if appropriate, by April 4, 2020.<sup>1</sup> Therefore, this pleading is timely filed.

**II. ADMINISTRATIVE COMPLETENESS OF APPLICATION**

After review, and, as detailed in the attached memorandums of Roshan Pokhrel of the Commission Infrastructure Division and Leila Guerrero of the Rate Regulation Division, Staff recommends that the application, as supplemented, be found administratively complete and sufficient for further review.

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<sup>1</sup> The stated deadline for Staff's supplemental recommendation is Saturday, April 4, 2020, a day the Commission is not open for business. Therefore, under 16 TAC § 22.4, the "designated period runs until the end of the next day on which the Commission is open for business." Therefore, the deadline advances to Monday, April 6, 2020.

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Cedron filed a revised copy of the Notice of Proposed Rate Change and an accompanying affidavit representing that such notice was provided by mail and email to each customer or other affected party on February 5, 2020. The Notice of Proposed Rate Change cured the three deficiencies previously identified in Staff's Third Supplemental Recommendation on Administrative Completeness. Specifically, the revised notice states the proper CCN number at the top of the notice, CCN No. 11659. Additionally, the billing comparison correctly states the charge for 30,000 gallons of usage at existing rates as \$30.25. Finally, the side-by-side rate comparison now correctly indicates that the proposed gallonage rate of \$1.50 per 1,000 gallons begins with usage over 2,001 gallons.

Cedron's Notice of Proposed Rate Change identified the effective date of the proposed rate increase as March 11, 2020. Staff recommends that the effective date of the proposed rate change be suspended in accordance with 16 TAC § 24.33(a)(2) for 265 days from the proposed effective date.

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

Staff proposes that the following Procedural Schedule be adopted:

<b>Event</b>	<b>Date</b>
Deadline for applicant to file signed affidavits attesting that notice was given to affected parties	Submitted with the application
Proposed effective date of rate change	March 11, 2020
Deadline to intervene, comment, or request a hearing (90 days from the Effective Date of October 9, 2019) <sup>2</sup>	June 9, 2020
Deadline for Staff to request a hearing or file a recommendation on final disposition	June 16, 2020
Deadline for applicant to respond to Staff recommendation or, if no disputed issues exist, deadline for parties to file proposed findings of fact, conclusions of law, and ordering paragraphs	June 23, 2020

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<sup>2</sup> Pursuant to 16 Tex. Admin. Code § 24.35(c)(2), if during the first 90 days after the effective date of the rate change, the Commission receives a complaint from any affected municipality, or protests from the lesser of 1,000 or 10% of the ratepayers of the utility over whose rates the Commission has original jurisdiction, the Commission shall set the matter for hearing.

Deadline for the Commission to set the matter for a hearing on its own motion (120 <sup>th</sup> day after the effective date) <sup>3</sup>	July 9, 2020
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#### IV. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above recommendations.

DATED: April 3, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

/s/ Richard Nemer

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<sup>3</sup> 16 Tex. Admin. Code § 24.35(c)(1).

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**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on April 3, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Richard Nemer

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Richard Nemer

## PUC Interoffice Memorandum

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**To:** Richard Nemer, Attorney  
Legal Division

**From:** Roshan Pokhrel, Engineering Specialist  
Infrastructure Division

**Date:** April 3, 2020

**Subject:** **Docket No. 49786:** *Application of Cedron Creek Ranch Water Supply for Authority to Change Rates*

On July 24, 2019, Cedron Creek Ranch Water Supply (Applicant) filed an application with the Public Utility Commission of Texas for a rate/tariff change under Certificate of Convenience and Necessity No. 11659 for a service area in Bosque County. On February 18, 2020, Applicant filed additional revisions to its application.

I reviewed the portions of the application that address original cost of plant, depreciation expense, net plant, operation and maintenance expenses that I am assigned to review, existing and proposed rates, and the billing comparison in the notice to determine the sufficiency of the application and the proposed notice. I did not identify any administratively incomplete items in those portions of the application and notice. However, I may need to request additional information from Applicant as part of my substantive review of the application.

## PUC Interoffice Memorandum

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**To:** Richard Nemer, Attorney  
Legal Division

**From:** Leila Guerrero, Regulatory Accountant/Auditor  
Financial Analysis Team, Rate Regulation Division

**Date:** April 3, 2020

**Subject:** **Docket No. 49786:** *Application of Cedron Creek Ranch Water Supply for Authority to Change Rates*

On July 24, 2019, Cedron Creek Ranch Water Supply filed an application with the Public Utility Commission of Texas for a rate/tariff change under Certificate of Convenience and Necessity No. 11659 in Bosque County. An administrative review of the application has been made pursuant to Texas Water Code §§ 13.1871 and 16 Texas Administrative Code §§ 24.25-24.33.

Based on a review, Staff recommends that the Commission find the application sufficient in regard to all requirements reviewed by Rate Regulation.