



Control Number: 50197



Item Number: 44

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APPLICATION OF TIMBERCREST § PUBLIC UTILITY COMMISSION  
PARTNERS LLC FOR AUTHORITY §  
TO CHANGE RATES § OF TEXAS

### COMMISSION STAFF'S LIST OF ISSUES

On January 17, 2020, Timbercrest Partners, LLC (Timbercrest) filed an application for authority to change its retail water and sewer rates under Texas Water Code (TWC) §§ 13.1871 and 13.1872(c)(2) and 16 Texas Administrative Code (TAC) §§ 24.25-44.

On May 4, 2021, an Order of Referral was filed allowing the Staff of the Public Utility Commission of Texas (Staff) to file a list of issues to be addressed in the docket by May 14, 2021. Therefore, this pleading is timely filed.

#### I. PROPOSED LIST OF ISSUES

Staff has identified the following issues to be addressed in this docket:

##### Identification

1. What is the legal name and all assumed names, if any, of the utility seeking a rate change? If the utility uses an assumed name, does it have a currently valid certificate for its assumed names?
2. What is the utility's business form (e.g., corporation, partnership, sole proprietorship)? What is the charter or authorization number, the date the business was formed, and the dates any changes were made?

##### Notice

3. Did the utility provide notice of the proposed rate change that complies with the applicable statutes and rules? TWC § 13.1871(b), (c); 16 TAC § 24.27; Notice of proposed rate change form for class B and C utilities.

##### Revenue Requirement

4. What revenue requirement will give the utility a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its

reasonable and necessary operating expenses? TWC § 13.183(a)(1); 16 TAC § 24.43(a); Class C rate-filing-package form (form) section I.

5. Will the revenue requirement preserve the utility's financial integrity? If not, what revenue requirement is required to do so? TWC § 13.183(a)(2); 16 TAC § 24.43(a).

#### **Allowable expenses**

6. What are the utility's allowable expenses calculated in accordance with the applicable statutes, Commission rules, and form? TWC §§ 13.183(a)(1), 13.185; 16 TAC § 24.41(b); Form sections II, IV, and V.

#### **Rate base**

7. What is the appropriate rate of return on the utility's rate base? TWC §§ 13.183(a)(1), 13.184(a), (b), 13.185(a) through (e), (i); 16 TAC § 24.41(c) through (g); Form section III.
8. Did the utility properly account for accumulated depreciation and for developer or customer contributions? TWC §§ 13.183(b), 13.185(b), (i), (j); 16 TAC § 24.41(c)(2), (c)(3)(D).

#### **Affiliates**

9. Does the utility have any affiliates? TWC § 13.002(2); 16 TAC § 24.3(3). If so, has the utility included in allowable expenses or in rate base any payments to affiliates? Are the payments reasonable and necessary? Were affiliate costs properly assigned to the utility? What are the costs to the affiliate of each item or class of items in question, and is the price to the utility no higher than prices charged by the supplying affiliate to its other affiliates or divisions or to unaffiliated persons or corporations for the same item or items? TWC § 13.185(e); Form at page 3.

#### **Rates**

10. Do the proposed rates properly reflect the utility's fixed and variable costs and allocate responsibilities appropriately? Form section VI.
11. Did the utility use the appropriate number of connections in designing rates?
12. Do the proposed rates recover the utility's revenue requirement?
13. Are the proposed rates just and reasonable, and do they meet all other legal requirements? TWC § 13.182(a), (b).

14. What is the appropriate effective date of the rates fixed by the Commission in this proceeding?

TWC § 13.1871(b), (e) through (h); 16 TAC §§ 24.25(h), 24.33.

**Tariff**

15. Are the utility's proposed revisions to its tariffs and rate schedules appropriate?

**Refund or Surcharge**

16. If a refund or surcharge results from this proceeding, how and over what period of time should the refund or surcharge be made? TWC § 13.1871(u); 16 TAC § 24.35(e).

**Rate-case expenses**

17. What are the utility's expenses incurred in this rate proceeding that are just, reasonable, necessary, and in the public interest? Does that amount include any prospective rate-case expenses to be incurred after the Commission's final order? Should the utility be able to recover its reasonable and necessary rate-case expenses from ratepayers? If so, how should such expenses, if any, be recovered by the utility? 16 TAC § 24.44

**II. ISSUES NOT TO BE ADDRESSED**

Staff has not identified any issues not to be addressed in this proceeding.

**III. CONCLUSION**

Staff respectfully requests that its list of issues be among the issues considered by the Commission in this proceeding.

Date: May 14, 2021

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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**PUC DOCKET NO. 50197  
SOAH DOCKET NO. 473-21-2237.WS**

**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 May 14, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Robert Dakota Parish  
Robert Dakota Parish