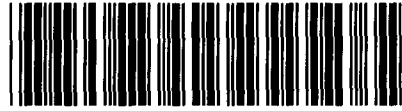


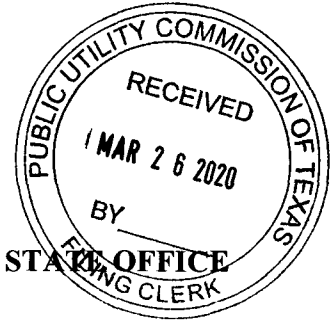
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SOAH DOCKET NO. 473-20-3110.WS
PUC DOCKET NO. 50200



APPLICATION OF UNDINE TEXAS, LLC § BEFORE THE STATE OFFICE
AND UNDINE TEXAS ENVIRONMENTAL, § OF
LLC FOR AUTHORITY TO CHANGE §
RATES § ADMINISTRATIVE HEARINGS
§

COMMISSION STAFF'S LIST OF ISSUES

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this List of Issues and would show the following:

I. BACKGROUND

On January 18, 2019, Undine Texas, LLC (UT) and Undine Texas Environmental, LLC (UTE)(collectively, Undine) filed an application for authority to change rates pursuant to Texas Water Code (TWC) § 13.1871 and 16 Texas Administrative Code (TAC) §§ 24.25 - 24.44. More than 10% of the ratepayers affected by Undine's proposed increase filed protests, and the Office of Policy and Docket Management issued an Order of Referral on March 19, 2020, referring this docket to State Office of Administrative Hearings (SOAH). The Order also stated that Staff may file a list of issues to be addressed, as well as any necessary statement of Commission policy, precedent, or position on any relevant threshold legal or policy issues, in the docket by March 6 2, 2020. Therefore, this pleading is timely filed.

II. LIST OF ISSUES TO BE ADDRESSED

Staff recommends that the Commission identify issues to be addressed based on the Preliminary Order adopted in Docket No. 49887¹ with modifications as appropriate to reflect the specific facts in this docket, including the following additions:

- 1. Does UT meet the criteria for a consolidated rate under TWC § 13.145?
 - a. Are the systems included in UT's proposed consolidated tariff substantially similar in terms of facilities, quality of service, and cost of service?

¹ Application of Kendall West Utility, LLC for Authority to Change Rates, Docket No. 49887, Preliminary Order (Dec. 16, 2019).

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- b. Does the proposed consolidated tariff include rates that promote water conservation for single-family residences and landscape irrigation?
2. Does UTE meet the criteria for a consolidated rate under TWC § 13.145?
 - a. Are the systems included in UTE's proposed consolidated tariff substantially similar in terms of facilities, quality of service, and cost of service?
 - b. Does the proposed consolidated tariff include rates that promote water conservation for single-family residences?
3. What acquisition adjustments, if any, for plant, property, and equipment acquired by UT are appropriate under 16 TAC § 24.41(d) and (e)?
4. What acquisition adjustments, if any, for plant, property, and equipment acquired by UTE are appropriate under 16 TAC § 24.41(d) and (e)?
5. Do the post-test year adjustments to UT's rate base meet the criteria under 16 TAC § 24.41(c)(5)?
6. Do the post-test year adjustments to UTE's rate base meet the criteria under 16 TAC § 24.41(c)(5)?
7. Are the utility's proposed revisions to its tariffs and rate schedules appropriate? Is it appropriate to adopt a phased-in rate due to the size of the rate increase requested by UT and UTE?
8. Is it appropriate to include a system acquired after the beginning of the test year (September 18, 2018) in the application if UT and UTE cannot provide a full 12 months of historical data related to the operations and maintenance of the system?

III. CONCLUSION

Staff respectfully requests the issuance of a Preliminary Order consistent with the above recommendations.

Dated: March 26, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

/s/ Eleanor D'Ambrosio

Eleanor D'Ambrosio
State Bar No. 24097559
John Harrison
State Bar No. 24097806
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7021
(512) 936-7268 (facsimile)
Eleanor.Dambrosio@puc.texas.gov

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PUC DOCKET NO. 50200**

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 March 26, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Eleanor D'Ambrosio

Eleanor D'Ambrosio