



Control Number: 50367



Item Number: 29

Addendum StartPage: 0

SOAH DOCKET NO. 473-20-3820.WS  
PUC DOCKET NO. 50367

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COMPLAINT OF CHAD SWAHN  
AGAINST SHADY OAKS WATER  
SUPPLY COMPANY, LLC

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§

BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

SOAH ORDER NO. 7  
GRANTING MOTION FOR SANCTIONS

On November 5, 2020, the staff (Staff) of the Public Utility Commission (Commission) filed a Motion for Sanctions. Staff's Motion seeks sanctions<sup>1</sup> against Shady Oaks for its failure to comply with the Administrative Law Judge's (ALJ) orders to respond to Staff's Requests for Information (RFIs). SOAH Order No. 6 provided parties an opportunity to request a hearing on sanctions. No responses to Staff's Motion or requests for a sanctions hearing were filed.

Shady Oaks has resisted discovery and failed to obey the ALJ's orders. The ALJ finds that Staff's proposed sanctions are appropriate.<sup>2</sup> It is therefore **ORDERED** that Staff's Motion for Sanctions is **GRANTED**. The following sanctions are imposed on Shady Oaks:

- Shady Oaks is disallowed from filing Direct Testimony in this docket;
- Shady Oaks is disallowed from providing any form of written or oral direct testimony at the Hearing on the Merits in this docket;
- A negative inference is drawn against Shady Oaks regarding Staff Request for Information Nos. 1-1, 1-2, 1-3, 1-5, 1-6, 1-7, 1-10, 1-12, 1-15 for failure to provide Staff the information requested;
- Any testimony or evidence provided by Chad Swahn relating to Staff Request for Information Nos. 1-1, 1-2, 1-3, 1-5, 1-6, 1-7, 1-10, 1-12, 1-15 is deemed true and factual; and
- The following facts are deemed admitted for purposes of this proceeding:

<sup>1</sup> 16 Tex. Admin. Code § 22.161(b).

<sup>2</sup> 16 Tex. Admin. Code § 22.161(b), (c).

- Shady Oaks improperly charged Mr. Swahn a \$100 security deposit.
- Shady Oaks did not send a proper disconnection notice to Mr. Swahn when it disconnected service at 327 Hickory Hill Drive Lot #7, La Vernia, Texas in September of 2019.
- Shady Oaks improperly locked Mr. Swahn's meter at 327 Hickory Hill Drive Lot #7 on September 18, 2019 and did so in violation of its tariff.
- Shady Oaks improperly charged Mr. Swahn additional charges for water service from July 27, 2018 through April 11, 2019.
- Shady Oaks improperly filed a police report for meter tampering or theft of service for 327 Hickory Hill Drive Lot #7, La Vernia, Texas.
- That no meter tampering or theft of service occurred at 327 Hickory Hill Drive Lot #7, La Vernia, Texas.
- Shady Oaks improperly charged Mr. Swahn \$450 in meter charges on July 27, 2018 and did so in violation of their tariff.

Staff has agreed to provide a proposed procedural schedule **no later than ten days after the date of this order.**

**SIGNED December 4, 2020**



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LINDA H. BRITE  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS