



Control Number: 50557



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**SOAH DOCKET NO. 473-21-0477
PUC DOCKET NO. 50557**

APPLICATION OF CORIX UTILITIES (TEXAS) INC. FOR AUTHORITY TO CHANGE RATES	§ § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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CORIX UTILITIES (TEXAS) INC.'S LIST OF ISSUES

Corix Utilities (Texas) Inc. (“Corix” or the “Company”) submits this proposed list of issues in accordance with the Order of Referral issued by the Public Utility Commission of Texas (“Commission”) on October 23, 2020.

I. ISSUES TO BE ADDRESSED

1. What are the just and reasonable rates for Corix that are sufficient, equitable, and consistent in application to each customer class and that are not unreasonably preferential, prejudicial, or discriminatory as required by Texas Water Code (“TWC”) § 13.182?
2. What revenue requirement will give Corix 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 while preserving Corix's financial integrity under TWC § 13.183(a) and 16 Tex. Admin. Code (“TAC”) § 24.43(a)?
3. Are Corix’s proposed revisions to its tariffs and rate schedules appropriate?
4. Is Corix’s proposed consolidation of service areas and adoption of regional rates appropriate pursuant to TWC § 13.145 and 16 TAC § 24.25(k)-(l)?
5. What is the reasonable and necessary cost of providing service calculated in accordance with 16 TAC § 24.41?
6. What adjustments, if any, should be made to Corix’s proposed test-year data in accordance with TWC § 13.185(d)(1) and 16 TAC § 24.41(b)?

7. What is Corix's appropriate overall rate of return, return on equity, cost of debt and capital structure?
8. What is the reasonable and necessary depreciation expense? For each class of property, are the proposed depreciation rates and methods for calculating depreciation reasonable pursuant to TWC § 13.185(j) and 16 TAC § 24.41(b)(1)(B)?
9. What is the reasonable and necessary amount for assessment and taxes, other than federal income taxes? 16 TAC § 24.41(b)(1)(C).
10. What is the reasonable and necessary amount of federal income tax expense? 16 TAC § 24.41(b)(1)(D) and, if applicable, TWC § 13.185(f).
11. Has Corix met the standard for recovery of affiliate expenses that affect the cost of service in accordance with TWC § 13.185(c)?
12. Are Corix's operations and maintenance expenses reasonable and necessary in accordance with 16 TAC § 24.41(b)(1)(A)?
13. What amounts of Corix's plant in service and other elements of rate base are used and useful in providing service to the public pursuant to 16 TAC § 24.41(c)(2)?
14. Is the Company's capital investment prudent, reasonable and necessary?
15. Are Corix's proposed pro forma rate-base and expense adjustments reasonable and necessary?
16. What amount of excess deferred federal income taxes existed on the Company's books on August 30, 2018 because of the decrease in the federal income tax rate from 35% to 21% and what is the appropriate treatment of that balance pursuant to the Second Order Related to Changes in Federal Income Tax Rates issued in Project No. 47945, *Proceeding to*

Investigate and Address the Effects of Tax Cuts and Jobs Act of 2017 on the Rates of Texas Investor-Owned Utility Companies?

17. What regulatory assets are appropriately included in Corix's rate base and what is the appropriate treatment of such assets?
18. Is each component of cost of service properly allocated between water and sewer services?
19. What is the appropriate allocation of costs and revenues among Corix's rate classes?
20. What is the appropriate rate design for each rate class pursuant to 16 TAC § 24.32?
21. What are Corix's expenses incurred in this rate proceeding that are just, reasonable, necessary, and in the public interest pursuant to 16 TAC § 24.33? Does that amount include any prospective rate-case expenses to be incurred after the Commission's final order? Should Corix be able to recover its reasonable and necessary rate-case expenses from ratepayers? If so, how should such expenses, if any, be recovered by Corix?
22. If a refund or surcharge results from this proceeding, how and over what period of time should that be made in accordance with TWC § 13.1871.
23. If Corix has requested interim relief in the form of interim rates, what are the appropriate levels of the interim rates in accordance with 16 TAC § 24.37?
24. What are the appropriate baseline costs or other findings to be set in order for Corix to utilize the alternative cost recovery mechanisms provided for by the Texas Legislature in 2019 in S.B. 700 and included in TWC §13.185(c)?

II. ISSUES NOT TO BE ADDRESSED

Corix has not identified any issues not to be addressed.

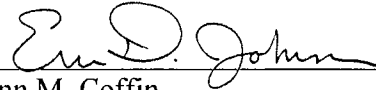
III. THRESHOLD LEGAL BRIEFING ISSUES

Corix has not identified any threshold legal briefing issues.

IV. CONCLUSION

Corix respectfully requests that the Commission adopt a preliminary order consistent with the above issues to be addressed.

Respectfully submitted,




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**ATTORNEYS FOR CORIX UTILITIES
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CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of November 2020, notice of the filing of this document was provided to all parties of record via electronic mail in accordance with the Order Suspending Rules issued in Project No. 50664.



Evan D. Johnson