



Control Number: 50702



Item Number: 5

Addendum StartPage: 0

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## *PUC Interoffice Memorandum*

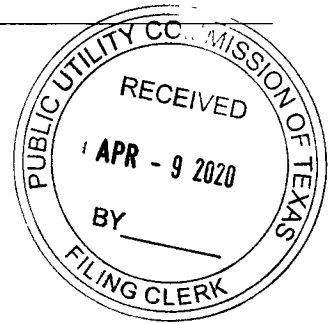
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**To:** Richard Nemer, Attorney  
Legal Division

**From:** Emily Sears, Financial Analyst  
Rate Regulation Division

**Date:** April 9, 2020

**Subject:** **Tariff Control No. 50702;** *Application of Double Diamond Properties Construction Company for a Pass-Through Rate Change*



On March 25, 2020, Double Diamond Properties Construction Company (Double Diamond or Applicant) requested approval of a pass-through rate change related to purchased water use fees imposed by Northwest Grayson County Water Control and Improvement District No. 1 (Northwest Grayson WCID). The proposed pass-through rate change affects customers within the Rock Creek Resort service area for Double Diamond's water certificate of convenience and necessity number 13235. The proposed pass-through charge requests a volumetric charge of \$0.66 per 1,000 gallons and a monthly charge of \$985.22 divided by the number of meter equivalents. Double Diamond requested that the proposed rates become effective May 1, 2020. Thereafter, on April 3, 2020, Double Diamond filed a letter supplementing its application, wherein it requested a new proposed effective date of June 1, 2020.

Based on Staff's review of the application, Staff recommends that it be deemed insufficient for filing at this time due to the following deficiencies:

1. the contract between Double Diamond and Northwest Grayson WCID for purchased water was not provided;
2. the notice does not include a calculation for \$0.66 per 1,000 gallons volumetric charge, as provided by the tariff formula;
3. the tariff pages in the application do not reflect the most recently approved tariff pages in Docket No. 48523 related to meter charge pass-through approval; and
4. an annual true-up of the meter fee approved in Docket No. 48523 was not provided.

**TARIFF CONTROL NO. 50702**

**APPLICATION OF DOUBLE DIAMOND § PUBLIC UTILITY COMMISSION**  
**PROPERTIES CONSTRUCTION §**  
**COMPANY FOR A PASS-THROUGH § OF TEXAS**  
**RATE CHANGE §**

**COMMISSION STAFF'S RECOMMENDATION ON  
THE APPLICATION AND NOTICE**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Recommendation on the Application and Notice. In support thereof, Staff shows the following:

**I. BACKGROUND**

On March 25, 2020, Double Diamond Properties Construction Company, dba Rock Creek Resort (Double Diamond), requested approval of a pass-through rate change related to purchased water use fees imposed by Northwest Grayson County Water Control and Improvement District No. 1. The proposed pass-through rate change affects customers within the Rock Creek Resort service area for Double Diamond's water certificate of convenience and necessity number 13235. The proposed pass-through charge will consist of a volumetric charge of \$0.66 per 1,000 gallons and a monthly charge of \$985.22 divided by the number of meter equivalents. Double Diamond's application requested that the proposed new rates become effective May 1, 2020. On April 3, 2020, Double Diamond filed a supplemental letter, requesting to amend the effective date of the proposed new rates to June 1, 2020.

On March 26, 2020, the Commission administrative law judge issued a Notice, requiring Staff to file a recommendation on Double Diamond's application and notice, and to propose a procedural schedule by April 9, 2020. Therefore, this pleading is timely filed.

**II. STAFF'S RECOMMENDATION ON THE APPLICATION AND NOTICE**

Staff has reviewed Double Diamond's application and notice and, as supported by the attached memorandum of Emily Sears, Financial Analyst with the Rate Regulation Regulation Division, Staff recommends that Double Diamond's application and notice be deemed insufficient

for filing at this time. Staff further recommends that Double Diamond submit supplemental information to cure the deficiencies detailed in the attached memorandum.

### **III. PROCEDURAL SCHEDULE**

Staff recommends that the application and notice be found insufficient. Staff further recommends that a deadline be established for Double Diamond to cure the deficiencies identified in Ms. Sears' memorandum by May 7, 2020. Additionally, Staff recommends that a deadline be established for Staff to review Double Diamond's supplemental information and make a supplemental recommendation on the application and notice by May 21, 2020.

### **IV. CONCLUSION**

For the reasons discussed above, Staff respectfully recommends that the application and notice be found insufficient at this time. Staff further recommends that the procedural schedule proposed above be adopted for further processing of this docket.

Dated: April 9, 2020

### **PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

/s/ Richard Nemer

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**TARIFF CONTROL NO. 50702**

**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 9, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Richard Nemer

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Richard Nemer