



Control Number: 50702



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**TARIFF CONTROL NO. 50702**

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

**PUBLIC UTILITY COMMISSION  
OF TEXAS**



**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON  
THE SUFFICIENCY OF THE APPLICATION AND NOTICE**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Supplemental Recommendation on Sufficiency of 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 No. 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 April 8, 2020, Double Diamond submitted supplemental information to its application. Specifically, Double Diamond filed the Wholesale Treated Water Supply Agreement between itself and Northwest Grayson WCID, entered into between the parties on April 14, 2015.

On April 9, 2020, Staff filed its Recommendation on the Application and Notice. Staff recommended that the application and notice be found insufficient and identified specific deficiencies. On April 13, 2020, the Commission administrative law judge (ALJ) issued Order No. 2, finding the application administratively incomplete and requiring Double Diamond to file supplemental information to cure the deficiencies identified in Staff's Recommendation on the Application and Notice.

On April 15, 2020, Double Diamond submitted additional supplemental information. Specifically, Double Diamond provided an amended notice to the current application, corrected tariff pages, and an explanation why the annual true-up meter fee is unavailable.

Order No. 2 also required Staff to file a supplemental recommendation on the sufficiency of Double Diamond's application and notice by May 21, 2020. Therefore, this pleading is timely filed.

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

Staff has reviewed Double Diamond's application and its supplemental filings, and, as supported by the attached memorandum of Emily Sears, Rate Regulation Division, recommends that Double Diamond's application be deemed sufficient and in compliance with 16 Texas Administrative Code (TAC) § 24.25(b)(2)(F)(i).

Further, notice in this proceeding is governed by 16 TAC § 24.25(b)(2)(F)(ii). Staff has reviewed the amended notice, filed on April 15, 2020, and has determined that the affected customers have been appropriately informed of the proposed tariff change.

Staff's recommendation on the sufficiency of the application and notice does not address the merits of the application.

## **III. STAFF RECOMMENDATION ON APPLICATION EFFECTIVE DATE**

Staff recommends that Double Diamond's proposed effective date for the tariff change of June 1, 2020, be deferred until the application's date of approval by the Commission, pursuant to 16 TAC § 24.25(h).

## **IV. PROCEDURAL SCHEDULE**

Staff recommends that the application and notice be found sufficient. Staff further recommends that a deadline be established for Staff to provide its recommendation on the application or request a hearing by June 18, 2020.

**V. CONCLUSION**

For the reasons discussed above, Staff respectfully recommends that the application and notice be found sufficient. Additionally, Staff recommends that the effective date be deferred until the application's date of approval. Finally, Staff recommends that the procedural schedule proposed above be adopted for further processing of this matter.

Dated: May 20, 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 May 20, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Richard Nemer

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Richard Nemer

## *PUC Interoffice Memorandum*

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

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

**Date:** May 20, 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. On April 3, 2020, Double Diamond filed a letter requesting a new effective date for the proposed rates of June 1, 2020.

Based on Staff's review of the additional information provided on April 8, 2020, and April 15, 2020, Staff recommends that the application be deemed sufficient and accepted for filing. Pursuant to 16 Texas Administrative Code § 24.25(h), Staff also recommends that Double Diamond's proposed effective date for the tariff change of June 1, 2020, be deferred until the application's date of approval by the Commission.