



**DOCKET NO. 50721**

**APPLICATION OF CRYSTAL CLEAR  
WATER, INC. FOR AUTHORITY TO  
CHANGE RATES**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**COMMISSION STAFF'S COMMENTS ON ADMINISTRATIVE COMPLETENESS OF  
THE APPLICATION AND PROPOSED NOTICE**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Comments on Administrative Completeness of the Application and Notice. In support thereof, Staff would show the following

**I. BACKGROUND**

On April 8, 2020, Crystal Clear Water, Inc. (Applicant), filed an application for authority to change rates pursuant to Texas Water Code (TWC) § 13.1781 and § 13.1872(c)(2) and 16 Texas Administrative Code (TAC) §§ 24.25-24.44.

On April 24, 2020, the Commission administrative law judge issued Order No. 1, requiring Staff to file comments on the administrative completeness of the application by May 26, 2020. Order No. 1 also required Staff to file a recommendation regarding how to proceed with the application and to propose a procedural schedule, if appropriate, by May 26, 2020. Therefore, this pleading is timely filed.

**II. ADMINISTRATIVE COMPLETENESS OF APPLICATION**

After review, and, as detailed in the attached memorandum from Maxine Gilford in the Commission's Rate Regulation Division, Staff recommends that the application and notice be found administratively incomplete at this time. Specifically, Staff has identified deficiencies related to the application schedules, affidavits, and customer notices. Staff recommends that Applicant amend its application and re-notice its affected customers, as further detailed in the attached memorandum.

Staff further recommends a suspension of the proposed effective date of July 1, 2020, in accordance with 16 TAC § 24.33(b)(1).

### **III. PROPOSED PROCEDURAL SCHEDULE**

Staff recommends that the application and notice be found administratively incomplete. Staff further recommends that a deadline be established for Applicant to cure the deficiencies identified in Ms. Gilford's memorandum and issue new notice by June 26, 2020. Additionally, Staff recommends a deadline be established for Staff to review Applicant's amendments to its application and notice and make a supplemental recommendation on the administrative completeness of the application and notice by July 26, 2020.

### **IV. CONCLUSION**

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

DATED: May 26, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

/s/ Richard Nemer

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

/s/ Richard Nemer

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Richard Nemer

# *Public Utility Commission of Texas*

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## **Memorandum**

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

**From:** Maxine Gilford  
Rate Regulation Division

**Date:** May 26, 2020

**Subject:** **Docket No. 50721:** *Application of Crystal Clear Water, Inc. for Authority to Change Rates*

On April 8, 2020, Crystal Clear Water, Inc. (Applicant), a Class D utility, filed an application for authority to change rates. The application affects service provided in Bosque County under Certificate of Convenience and Necessity (CCN) No. 12997. An administrative review of the application and notice has been made pursuant to Texas Water Code (TWC) § 13.1871 and § 13.1872(c)(2) and 16 Texas Administrative Code (TAC) §§ 24.25 through 24.44.

Based on a review of the rate change application, Staff recommends that Applicant's application be deemed insufficient for filing and found administratively incomplete due to deficiencies in the application and notice. Staff further recommends that the proposed effective date of the rate increase be suspended. Finally, Staff recommends that Applicant correct the identified deficiencies by amending its application and re-noticing its affected customers. The notice must include a revised effective date.

Staff reviewed the schedules, affidavits, and notices within the application. Specifically, Staff identified the following deficiencies:

1. Applicant did not provide a signed and notarized affidavit of completeness.
2. The requested revenue requirement in Schedule I-1 does not match the revenue requirement in Schedule VI-1.
3. The rates calculated in Schedule VI-4 produce revenues that materially exceed the revenue requirement requested in Schedule I-1.
4. The affidavits of notice were notarized prior to the date that the Applicant stated that it provided notice.
5. As it relates to Applicant's notice to customers in the Airport Addition and Whispering Ridge subdivisions or systems:
  - a. The company name is incorrectly stated as "Crystal Clear Water, Inc. Airport/Whispering." The company name is "Crystal Clear Water, Inc."

- b. The CCN number is incorrectly stated as “0180032 / 0180081.” The CCN number is 12997.
  - c. The number of ratepayers that represents 10% of the utility’s customers was left blank. The number must be included on the notice.
  - d. Although correct in the present notice, upon re-noticing, Applicant must adjust the proposed effective date to comply with the requirement that the effective date of the proposed increase is at least 35 days after notice was provided to customers.
  - e. The names of the subdivisions affected by the rate change states, “Crystal Clear Water, Inc.-- Airport and Crystal Clear Water, Inc. — Whispering Ridge.” The names should match the names on the tariff, therefore, it should state, “Airport Addition” and “Whispering Ridge.” If the tariff is incorrect, the Applicant should provide an explanation.
  - f. The phone number on the notice is not the same phone number listed in the application. The correct phone number must be listed on the notice.
  - g. The “Water Annual Revenue Increase” amount is incorrectly stated. It should be calculated using Schedule VII-3, Revenue Generated for Multi-Tier Gallonage Charges, in the application. Specifically, the amount is the difference between line 49, column D, and Line 49, column C.
  - h. The “Date Current Rate Change Notice Delivered” is stated as “on or about May 10, 2020.” The entry should be stated as a specific date.
  - i. On the Notice of Proposed Rate Change – Water page:
    - The ¾” meter size for Current Rates is blank. The current tariff shows a monthly minimum charge of \$28.00.
    - The Tier 1 Volume amount under Current Rates states a range from 1,001 to 5,000 gallons. The range should be 1,000 to 5,000 gallons.
    - The Tier 2 Volume amount under Current Rates states a range from 5,001 to 10,000 gallons. The range should be 5,001 and up. The reference to 10,000 gallons should be removed.
    - The Tier 3 Volume amount under Proposed Rates states a range of “>10,000.” The range should be 10,001 and up.
6. As it relates to Applicant’s notice to customers in the Glenshores subdivision or system:
- a. The company name is incorrectly stated as “Crystal Clear Water, Inc. Glenshores.” The company name is “Crystal Clear Water, Inc.”
  - b. The CCN number is incorrectly stated as “0180030.” The CCN number is 12997.
  - c. The number of ratepayers that represents 10% of the utility’s customers must be included on the notice.
  - d. Although correct in the present notice, upon re-noticing, Applicant must adjust the proposed effective date to comply with the requirement that the effective date of the proposed increase is at least 35 days after notice was provided to customers.
  - e. The names of the subdivisions affected by the rate change state, “Crystal Clear Water, Inc.-- Airport and Crystal Clear Water, Inc. — Whispering Ridge.” The names should match the names on the tariff, therefore, it should state, “Glenshores.” If the tariff is incorrect, then the Applicant should provide an explanation.

- f. The phone number on the notice is not the same phone number listed in the application. The correct phone number must be listed on the notice.
  - g. The “Water Annual Revenue Increase” amount is incorrectly stated. It should be calculated using Schedule VII-3, Revenue Generated for Multi-Tier Gallonage Charges, in the application. Specifically, the amount is the difference between line 49, column D, and Line 49, column C.
  - h. The “Date Current Rate Change Notice Delivered” is stated as “on or about May 10, 2020.” The entry should be stated as a specific date.
  - i. On the Notice of Proposed Rate Change – Water page:
    - The  $\frac{3}{4}$ ” meter size for Current Rates is blank. The current tariff shows a monthly minimum charge of \$25.00.
    - The Tier 1 Volume amount under Current Rates states a range of 3,000 to 5,000 gallons. The current tariff shows Tier 1 Volume amount of 3,000 and up.
    - There are two tiers of Gallonage Charges listed under Current Rates. There is only one tier of gallonage charges under the current tariff. Tier 2 Volume amounts should be removed under Current Rates.
    - The Tier 3 Volume amount under Proposed Rates states a range of “>10,000” The range should be 10,001 and up.
7. As it relates to Applicant’s notice to customers in the Lakeline Acres subdivision or system:
- a. The company name is incorrectly stated as “Crystal Clear Water, Inc. Lakeline.” The company name is “Crystal Clear Water, Inc.”
  - b. The CCN number is incorrectly stated as “0180025.” The CCN number is 12997.
  - c. The number of ratepayers that represents 10% of the utility’s customers must be included on the notice.
  - d. Although correct in the present notice, upon re-noticing, Applicant must adjust the proposed effective date to comply with the requirement that the effective date of the proposed increase is at least 35 days after notice was provided to customers.
  - e. The names of the subdivisions affected by the rate change state, “Crystal Clear Water, Inc.-- Airport and Crystal Clear Water, Inc. — Whispering Ridge.” The names should match the names on the tariff, therefore, it should state, “Lakeline Acres.” If the tariff is incorrect, the Applicant should provide an explanation.
  - f. The phone number on the notice is not the same phone number listed in the application. The correct phone number must be listed on the notice.
  - g. The “Water Annual Revenue Increase” amount is incorrectly stated. It should be calculated using Schedule VII-3, Revenue Generated for Multi-Tier Gallonage Charges, in the application. Specifically, the amount is the difference between line 49, column D, and Line 49, column C.
  - h. The “Date Current Rate Change Notice Delivered” is stated as “on or about May 10, 2020.” The entry should be stated as a specific date.
  - i. On the Notice of Proposed Rate Change – Water page:
    - The  $\frac{3}{4}$ ” meter size for Current Rates is blank. The current tariff shows a monthly minimum charge of \$18.90.

- The 1" meter size for Current Rates states a monthly minimum charge of \$35.00. The current tariffs shows no monthly minimum charge established for a 1" meter.
- The Tier 1 Volume amount under Current Rates states a range of 3,000 to 5,000 gallons. The Tier 1 Volume amount should state a range of 3,000 and up.
- There are two tiers of Gallonage Charges listed under Current Rates. There is only one tier of gallonage charges under the current tariff. Tier 2 Volume amounts should be removed under Current Rates.
- The Tier 3 Volume amount under Proposed Rates states a range of ">10,000" The range should be 10,001 and up.