



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 SUPPLEMENTAL RECOMMENDATION ON SUFFICIENCY
OF THE APPLICATION, NOTICE, AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this response to Order No. 7, Commission Staff's Supplemental Recommendation on Sufficiency of the Application, Notice, and Proposed Procedural Schedule. Staff recommends that the application be deemed sufficient for further review. In support thereof, Staff shows the following:

I. BACKGROUND

On April 8, 2020, Crystal Clear Water, Inc. (Crystal Clear) filed a Class C Rate Change Application with the Commission for service provided in Bosque County under Certificate of Convenience and Necessity (CCN) No. 12997.

Order No. 7, issued July 1, 2020, gave Staff a deadline of August 26, 2020, to file a supplemental recommendation on the sufficiency of the application and to propose a procedural schedule. Therefore, this pleading is timely filed.

II. SUFFICIENCY OF THE APPLICATION

Staff has reviewed the application and supplemental information filed by Crystal Clear, and, as detailed in the attached memorandum of Maxine Gilford of the Commission's Rate Regulation Division, recommends that Crystal Clear's application be found administratively complete and sufficient for further review.

III. SUFFICIENCY OF NOTICE

On August 19, 2020, Crystal Clear filed an affidavit attesting to the provision of notice to current customers and affected parties. Staff has reviewed the affidavit as well as the notice provided and recommends that notice be found sufficient. However, the timing of when the revised notice was sent to customers does not comply with the memo issued by Chairman Walker in

Docket No. 47897,¹ which states that, “[i]f the Commission rejects a utility’s application as incomplete and suspends the proposed rates under TWC § 13.1871(e) and 16 TAC § 24.26(b)(1), the utility must file a properly completed application and provide an updated statement of intent with a new proposed effective date. In fact, under 16 TAC § 24.26(c), the utility is prohibited from notifying its customers of a new effective date until the Commission has provided written notification that all deficiencies have been corrected.”²

Despite this timing issue, Staff recommends that Crystal Clear’s notice be deemed to satisfy the requirements of Texas Water Code (TWC) § 13.1871(b) and 16 TAC § 24.27(d)(1). The Commission has already received protests from more than 10 percent of Crystal Clear’s ratepayers, and 16 TAC § 24.35(c)(2) states that “the commission will set the matter for a hearing if it receives [. . .] protests from the lesser of 1,000 or 10 percent of the affected ratepayers of the utility over whose rates the commission has original jurisdiction, during the first 90 days after the effective date of the proposed rate change.” In this case, approximately 98 protests have been received, far exceeding the 10 percent threshold. Thus, the fact that Crystal Clear provided notice before the Application was deemed sufficient has not deprived its ratepayers of an opportunity to participate in this case. In other words, it is Staff’s position that requiring Crystal Clear to incur the expense to re-notice customers would not serve a practical purpose because the Commission has already received the number of protests necessary for contested case status despite the timing issues of when the notice was issued.

If the Administrative Law Judge (ALJ) deems Crystal Clear’s notice sufficient, then Staff recommends suspension of the December 1, 2020 effective date for 265 days under 16 TAC § 24.33(a)(2).

¹ *Application of Forest Glen Utility Company for Authority to Change Rates*, Docket 47897, Open Meeting, May 25, 2018, Agenda Item No. 2, Memo from Chairman Walker (May 24, 2018).

² This memo was issued before 16 Tex. Admin. Code (TAC) Chapter 24 was renumbered and reflects the old rule numbers.

IV. PROPOSED PROCEDURAL SCHEDULE

Staff proposes that the following Procedural Schedule be adopted:

Event	Date
Date Notice Completed	August 19, 2020
Proposed effective date of rate change	December 1, 2020
Deadline to intervene, comment, or request a hearing (90 days from the Effective Date of December 1, 2020). ³	March 1, 2021
Deadline for Staff to request a hearing or file a recommendation on final disposition	March 8, 2021
Deadline for applicant to respond to Staff recommendation or, if no disputed issues exist, deadline for parties to file proposed findings of fact, conclusions of law, and ordering paragraphs.	March 15, 2021
Deadline for the Commission to set the matter for a hearing on its own motion (120th day after the effective date) ⁴	March 31, 2021

V. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above recommendations.

³ Pursuant to 16 TAC § 24.35(c)(2), if during the first 90 days after the effective date of the rate change, the Commission receives a complaint from any affected municipality, or protests from the lesser of 1,000 or 10% of the ratepayers of the utility over whose rates the Commission has original jurisdiction, the Commission shall set the matter for hearing.

⁴ 16 TAC § 24.35(c)(1).

Dated: August 26, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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

/s/ Rustin Tawater
Rustin Tawater

Public Utility Commission of Texas

Memorandum

To: Rustin Tawater, Attorney
Legal Division

From: Maxine Gilford
Rate Regulation Division

Date: August 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) filed a Class C Rate Change Application with the Public Utility Commission of Texas (Commission) for 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 16 Texas Administrative Code (TAC) §§ 24.25 through 24.33.

Based on a review of the supplemental information filed on August 19, 2020, Staff recommends that the application be deemed sufficient for filing and found administratively complete.