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**SOAH DOCKET NO. 473-21-0946.WS
PUC DOCKET NO. 50721**

APPLICATION OF CRYSTAL CLEAR WATER, INC. FOR AUTHORITY TO CHANGE RATES	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS
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**CRYSTAL CLEAR WATER, INC.'S RESPONSE TO THE
OCTOBER 21, 2021 COMMISSION COUNSEL MEMORANDUM AND
MOTION TO ADMIT EVIDENCE**

COMES NOW, Crystal Clear Water, Inc. (CCWI), by and through its undersigned attorneys of record, and files this Response to the October 21, 2021 Commission Counsel Memorandum (the Response) and Motion to Admit Evidence in this Docket, and in support thereof, would respectfully show as follows:

I. BACKGROUND

On April 1, 2020, CCWI filed with the Public Utility Commission of Texas (Commission) its application for authority to change rates (the Application). The Commission referred the Application to the State Office of Administrative Hearings (SOAH) on December 3, 2020. On July 15, 2021, all parties to the proceeding reached a unanimous agreement on rates and fees, and the mediators reported to the presiding SOAH Administrative Law Judge (ALJ) that the parties had reached an agreement in principle. CCWI, Commission Staff, and the intervenors, through their duly authorized representatives, then executed a Unanimous Stipulation and Settlement Agreement (the Settlement Agreement). The parties submitted a Joint Motion to Admit Evidence and Remand to the Public Utility Commission, including the Settlement Agreement, to SOAH on September 3, 2021. The SOAH ALJ issued Order No. 5 on September 7, 2021, admitting the Settlement Agreement and documents supporting the Settlement Agreement into evidence and remanding the case to the Commission.

On October 21, 2021, Commission Counsel filed a Memorandum (the Memo), requesting evidence to support Findings of Fact Nos. 35 and 37 in the Joint Proposed Final Order. These Findings of Fact state:

35. CCWI is entitled to recover \$28,000.00 in rate-case expenses. These rate-case expenses shall be recovered through a surcharge to ratepayers over a period of 12 months.

37. The Agreement's treatment of rate-case expenses is appropriate, and the agreed rate-case expense surcharges are reasonable and necessary.

The Memo requests that CCWI identify or submit as additional evidence an affidavit or testimony of a licensed attorney supporting the reasonableness of the settled upon rate-case expenses. The Memo further requests that CCWI file a response and record such evidence by November 12, 2021 at 3:00 p.m. Thus, this Response and Motion to Admit Evidence are timely filed.

II. RESPONSE TO MEMO AND MOTION TO ADMIT EVIDENCE

After prolonged negotiations, with the assistance of the mediators, the parties agreed that CCWI is entitled to recover \$28,000.00 in rate-case expenses by a surcharge over a period of 12 months. CCWI's actual rate-case expenses exceed this amount by more than \$20,000.00, but the parties agreed that recovery would be capped at \$28,000.00 to benefit CCWI's customers. Attached hereto as Attachment A is the Affidavit of David Klein, attorney for CCWI, supporting the reasonableness of the agreed-upon rate-case expenses.

III. CONCLUSION

For these reasons, CCWI respectfully requests that the Commission approve the Joint Proposed Final Order for the Application; admit the Affidavit of David Klein in Attachment A into evidence in this Docket; and grant all other and further relief to which it may be entitled.

Respectfully submitted,

LLOYD GOSSELINK

ROCHELLE & TOWNSEND, P.C.

816 Congress Ave., Suite 1900

Austin, Texas 78701

(512) 322-5800

(512) 472-0532 (Fax)

DAVID J. KLEIN

State Bar No. 24041257

A handwritten signature in black ink, appearing to read 'Danielle Lam', written over a horizontal line.

DANIELLE LAM

State Bar No. 24121709

**ATTORNEYS FOR CRYSTAL CLEAR
WATER, INC.**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was transmitted by electronic mail on this 12th day of November, 2021 to the parties of record, in accordance with the Orders Suspending Rules issued in Project No. 50664.


DANIELLE LAM

ATTACHMENT A

Affidavit of David Klein

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AFFIDAVIT OF DAVID KLEIN

STATE OF TEXAS	§	
	§	
COUNTY OF TRAVIS	§	

BEFORE ME, the undersigned authority, on this day personally appeared David Klein, who being by me first duly sworn, upon oath says:

1. My name is David Klein. I am over the age of 18 years, and am competent to make this Affidavit, and the facts stated herein are true and correct.

2. I am an attorney at Lloyd Gosselink Rochelle & Townsend, P.C. (Lloyd Gosselink).

3. My business address is 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

4. I was and am engaged by Crystal Clear Water, Inc. (CCWI) for CCWI's application for authority to change rates, which is Public Utility Commission (Commission) Docket No. 50721.

5. Pursuant to the settlement agreement filed on September 3, 2021 (AIS Item No. 202), Commission Staff requested a fixed cap on rate case expenses to complete the agreement contained in Article 1.e of the Unanimous Stipulation and Settlement Agreement. The agreed amount of rate case expenses to be recovered from customers was \$28,000.

6. As shown in the attached summary of expenses and invoices, the rate case expenses incurred by CCWI exceed the amount agreed to by the parties in the settlement agreement.

7. I am familiar with the work performed by Lloyd Gosselink on behalf of CCWI in connection with Docket No. 50721 concerning the Application of Crystal Clear Water, Inc. for Authority to Change Rates.

8. This portion of my Affidavit addresses the expenses for Docket No. 50721 that were incurred by CCWI. I have reviewed the billings of Lloyd Gosselink submitted to CCWI for legal services performed in Docket No. 50721. I affirm that those billings accurately reflect the time spent and expenditures incurred by Lloyd Gosselink on CCWI's behalf. Those billings were accurately

calculated before they were tendered, and there was no double billing. None of the charges billed to CCWI have been recovered through reimbursement for other expenses. The fees and expenses were necessary and for the legal representation of CCWI. The legal work included advising CCWI on rates, preparation of pleadings, review and preparation of evidentiary exhibits, and preparation of settlement documents. All of the rate case expenses are summarized in the attached Exhibit A. The attached invoices and receipts—provided as Exhibit B—bring CCWI's total rate case expenses to \$49,061.20 as of September 29, 2021—as shown in Exhibit A. Any billings not attributed to this Docket No. 50721 have been deducted, as show in Exhibit A, and redacted in Exhibit B.

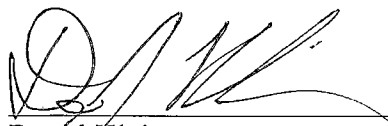
9. For all the matters addressed in this Affidavit, Lloyd Gosselink has not charged for luxury items, including first-class airfare, limousine service, entertainment, or alcoholic beverages. No meals were charged and no individual billed for more than 12 hours per day.

10. For the period of March 16, 2021, through September 29, 2021, the expenses for Lloyd Gosselink are \$49,061.20. The hourly rates for attorneys of \$220–\$295 and for paralegals of \$130–\$140, upon which the billings are based, are the same hourly rates charged other clients for comparable services during the same time frame. Our firm's hourly rates are at the lower end of the range compared to the rates charged by other lawyers with similar experience providing similar services. To minimize expenses, I used associates and paralegals where possible because of their lower billing rates. In assigning the tasks to attorneys, I ensured that the attorneys did not duplicate the work of one another. The hours spent to perform the tasks assigned to Lloyd Gosselink were necessary to complete those tasks in a professional manner and on a timely basis. All of the work performed by Lloyd Gosselink to date was accomplished primarily by two lawyers. My many years of experience participating in utility rate cases aid in our efforts to keep rate case expenses reasonable.

11. The agreed amount requested for legal expenses for rate case expenses of \$28,000 is reasonable given the complexity of this case.

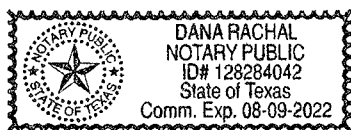
FURTHER AFFIANT SAYETH NOT.

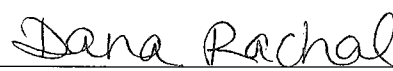
SIGNED this 12th day of November, 2021.



David Klein

SWORN TO AND SUBSCRIBED BEFORE ME the undersigned authority on this 12th
day of November, 2021.





Notary Public, State of Texas

EXHIBIT A

Summary of Rate Case Expenses

Lloyd Gosselink Rochelle & Townsend, P.C.

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EXHIBIT B

Invoices