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PUC DOCKET NO. 50721

APPLICATION OF CRYSTAL CLEAR	§	PUBLIC UTILITY COMMISSION
WATER, INC. FOR AUTHORITY TO	§	OF TEXAS
CHANGE RATES	§	

CORRECTIONS TO PROPOSED ORDER

COMES NOW, Crystal Clear Water, Inc. (CCWI), by and through its undersigned attorneys of record, and hereby files these corrections to the Proposed Order distributed by the Public Utility Commission (Commission) Office of Policy & Docket Management (OPDM) on April 1, 2022. In the cover memorandum, OPDM set April 11, 2022 as the deadline for the parties to file corrections or exceptions to the Proposed Order. Therefore, these minor corrections/clarifications are timely filed. In support, CCWI respectfully show as follows:

I. CORRECTIONS

CCWI generally agrees with the Findings of Fact, Conclusions of Law, and Ordering Paragraphs in the Proposed Order. However, CCWI proposes the following minor corrections/clarifications, with edits noted in underline or strikethroughs:

1. Introductory Paragraph — CCWI would like to create a defined term for CCWI consistent with the Proposed Order by amending the first sentence as follows: “This Order addresses the application of Crystal Clear Water, Inc. (Crystal Clear) for authority to change its water rates and associated tariff for water service.”

2. Finding of Fact No. 16 — CCWI proposes to amend this finding as follows: “Crystal Clear’s proposed consolidated rates for ~~consolidated rates for~~ Lakeline Acres, Glenshores, Airport, and Whispering Ridge promote water conservation.” This change would delete duplicate words.

3. Finding of Fact No. 28 — CCWI proposes to amend this finding as follows: “In Order No. 3 filed on August 3, 2021, the State Office of Administrative Hearings (SOAH) ALJ dismissed Mr. McCain, Ms. McCain, Mr. Hulme, Mr. Poe, and Ms. Anderson as parties and removed them from the service list.” This change would provide additional detail of the procedural history of this Docket.

4. Finding of Fact No. X — CCWI proposes to add a finding of fact immediately after Finding of Fact No. 38 (could be styled as 38.A.) as follows: “Crystal Clear, Commission Staff, OPUC, and the intervenors renewed settlement negotiations and entered into a revised unanimous agreement, memorializing the agreed schedule of retail water utility rates and other tariff amendments, as set forth in the tariff included as attachment B to the revised agreement. The revised agreement was filed with the Commission on March 7, 2022 with the parties’ joint motion to admit additional evidence. However, Appendices A and B from the September 3, 2021 tariff shall be included as Appendices A and B of the tariff submitted on March 7, 2022.”

This new finding would reflect the negotiation, execution, and filing of a revised agreement by CCWI, Commission Staff, OPUC, and the intervenors which should be binding on the parties. The tariff included as attachment B to the agreement filed on September 3, 2021 included (1) Appendix A (drought contingency plan) and (2) Appendix B (application for service form). However, when the tariff was re-filed as the Interim Water Utility Tariff on September 9, 2021 and with the revised agreement on March 7, 2022, these appendices were inadvertently not included—but were always intended to remain a part of the final tariff to be approved by the Commission. Thus, CCWI must have the final, approved tariff include the drought contingency plan and application for service form that were included in the September 3, 2021 filing, for completeness and to comply with Texas Commission on Environmental Quality requirements for

public drinking water systems. Since the September 3, 2021 and March 7, 2022 filings are both admitted into evidence, CCWI believes that Appendices A and B from the September 3, 2021 tariff can be incorporated into the March 7, 2022 tariff. However, CCWI is certainly willing to refile the March 7, 2022 tariff with the two Appendices, if necessary. To be clear, there were no substantive changes to the tariff between the September 3, 2021 version, interim version, and the March 7, 2022 version.

5. Finding of Fact No. 40 — CCWI proposes to amend the last sentence of this finding as follows: “Attachment C to the revised agreement identifies all of Crystal Clear’s net plant in service as of December 31, 2019.” This change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021.

6. Finding of Fact No. 43 — CCWI proposes to amend this finding as follows: “The signatories agreed that Crystal Clear should be allowed to implement the retail water rates located in the tariff attached to the revised agreement as attachment B.” This change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021. However, CCWI would like the final tariff appendices to include the drought contingency plan and application for service that were attached to the September 3, 2021 version of the tariff.

7. Finding of Fact No. 44 — CCWI proposes to amend this finding as follows: “Crystal Clear may implement the other tariff provisions included in the agreed proposed tariff in attachment B to the revised agreement.” This change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021. However, CCWI would like the final tariff appendices to include the drought contingency plan and application for service that were attached to the September 3, 2021 version of the tariff.

8. Finding of Fact No. 45 — CCWI proposes to amend this finding as follows: “The proposed tariff that is attached to the revised agreement as attachment B governs the water utility rates, terms, treatments, and conditions for the water systems and service area specific in the tariff.” This change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021. However, CCWI would like the final tariff appendices to include the drought contingency plan and application for service that were attached to the September 3, 2021 version of the tariff.

9. Finding of Fact No. 46 — CCWI proposes to amend this finding as follows: “The signatories agreed that rates, terms, and conditions of the tariff resulting from the revised agreement are just and reasonable.” This change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021.

10. Finding of Fact No. 49 — CCWI proposes to amend this finding as follows: “Crystal Clear is entitled to recover \$28,000.00 in rate-case expenses up to November 23, 2021. These rate-case expenses must be recovered through a surcharge to ratepayers over a period not to exceed ~~12~~15 months.” According to the revised agreement filed on March 7, 2022, CCWI, Commission Staff, OPUC, and intervenors agreed to extend the recovery period from 12 to 15 months and clarified that only rate-case expenses incurred up to November 23, 2021 would be recoverable.

11. Finding of Fact No. 60 — CCWI proposes to amend this finding as follows: “The only parties to this proceeding are Crystal Clear, Commission Staff, ~~and OPUC~~, and the above stated ratepayers.” Over 10% of CCWI’s ratepayers filed protests, intervened, and participated in this Docket.

12. Finding of Fact No. 61 — CCWI proposes to amend this finding as follows: “~~All parties~~ Representatives of each party signed the revised agreement.” Each individual intervenor did not sign the agreement or revised agreement. The intervenors appointed a representative for each system and authorized them to negotiate and settle this Docket. Further, this change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021.

13. Ordering Paragraph No. 1 — CCWI proposes to amend this order as follows: “The Commission approves Crystal Clear’s changes to its water rates, as modified by the revised agreement, to the extent provided in this Order.” This change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021.

14. Ordering Paragraph No. 2 — CCWI proposes to amend this order as follows: “The Commission approves Crystal Clear’s water rate tariff attached to the revised agreement filed on ~~September 2, 2021~~ March 7, 2022 as attachment B effective on the date this Order is signed.” This change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021. However, CCWI would like the final tariff appendices to include the drought contingency plan and application for service that were attached to the September 3, 2021 version of the tariff.

15. Ordering Paragraph No. 4 — CCWI proposes to amend this order as follows: “The Commission Establishes that the rate base for Crystal Clear as of December 31, 2019 is \$155,855 and includes \$138,404 of net plant in service, as shown in attachment C to the revised agreement. ~~Crystal Clear must include this specific rate base as of December 31, 2019 in determining its rate base in its next filing for a rate increase under TWC § 13.1872(c)(2).~~” CCWI’s rate base in this Docket should not restrict its rate base in future ratemakings. The rate base and net plant in service

were reduced by Commission Staff during settlement negotiations in order to match the settled rates and do not reflect CCWI's actual rate base and net plant in service for December 31, 2019. CCWI agreed to such reduction in an act of good faith, but should not be limited by these reduced amounts in future ratemakings.

16. Ordering Paragraph No. 6 — CCWI proposes to amend this order as follows: “The Commission authorizes Crystal Clear to collect rate-case expenses in the amount of \$28,000.00 via a monthly surcharge to customers over a period not to exceed ~~12~~15 months.” According to the revised agreement filed on March 7, 2022, CCWI, Commission Staff, OPUC, and intervenors agreed to extend the recovery period from 12 to 15 months.

17. Ordering Paragraph No. 9 — CCWI proposes to amend this order as follows: “Entry of this Order does not indicate the Commission’s endorsement or approval of any principle or methodology that may underlie the revised agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the revised agreement.” This change is to correctly reference the revised agreement filed on March 7, 2022, which supersedes the agreement filed on September 3, 2021.

II. CONCLUSION AND PRAYER

For these reasons, CCWI respectfully requests that OPDM modify the Proposed Order in line with the corrections presented herein and grant all other and further relief to which CCWI 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
dklein@lglawfirm.com

DANIELLE LAM
State Bar No. 24121709
dlam@lglawfirm.com

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

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 11, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.



David J. Klein