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RATEPAYERS APPEAL OF THE §
DECISION BY WINDERMERE OAKS §
WATER SUPPLY CORPORATION TO § BEFORE THE
CHANGE WATER AND SEWER § PUBLIC UTILITY COMMISSION
RATES § OF TEXAS

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S
LIST OF ISSUES**

COMES NOW, Windermere Oaks Water Supply Corporation (WOWSC) and hereby files this List of Issues. WOWSC would respectfully show the following:

I. BACKGROUND

On April 27, 2020, certain ratepayers of the WOWSC (Petitioners) filed a petition purporting to appeal certain rates for water and wastewater services provided by the WOWSC (Petition). In its cover letter that encloses the signed petitions, representative for Petitioners appeals a retail water and sewer rate increase that went into effect on March 23, 2020.

On June 23, 2020, the Commission issued the Order of Referral. The Order of Referral establishes the deadline to file a list of issues to be addressed in the docket by July 1, 2020. Accordingly, this List of Issues is timely filed.

II. LIST OF ISSUES TO BE ADDRESSED

WOWSC asserts that there are issues that must be considered in the proceeding, which are listed below:

1. Did the petition appealing the rate change by WOWSC follow the requirements of TWC § 13.043(b); 16 TAC § 24.101(b), (c), and (d); and 16 TAC § 24.103(a) and (b)?
 - a. Was the petition filed within 90 days after the effective date of the rate change?
TWC § 13.043(c) and 16 TAC § 24.101(b).

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- b. Did the lesser of 10,000 or 10% of those ratepayers file valid protests to WOWSC's rate change? TWC § 13.043(c) and 16 TAC § 24.101(b).
2. What information was available to WOWSC at the time it made its decision to increase the water utility service rates? *See* TWC § 13.043(e).
3. Based on the information available to WOWSC at the time it made its decision to increase water utility service rates effective March 23, 2020, and the criteria considered, are the rates fixed by WOWSC just, reasonable and compliant with the standards set forth in TWC § 13.043(j)?
 - a. What is the appropriate methodology to determine just and reasonable rates for WOWSC's customers?
 - b. What is the revenue requirement that would give WOWSC sufficient funds to provide adequate retail water service?
 - c. What is the appropriate allocation of the revenue to customer classes?
 - d. What is the appropriate design of rates for each class in order to recover WOWSC's revenue requirement?
4. If the rates being charge to Petitioners by WOWSC meet the requirements of TWC § 13.043(e), must this appeal be dismissed?
5. What are the reasonable expenses incurred by WOWSC in this proceeding? TWC § 13.043(e) and 16 TAC § 24.101(e)(2).
 - a. How should the Commission allow for the recovery of these reasonable expenses?
6. What is the appropriate effective date of the rates fixed by the Commission in the proceeding? *See* TWC § 13.043(e); 16 TAC § 24.101(e)(3).
7. If the Commission establishes rates different than the rates set by WOWSC, should the Commission order refunds or allow surcharges to recover lost revenues?

- a. If so, what is the appropriate amount and over what time period should the refund surcharge be in place? *See* TWC § 13.043(e) and 16 TAC § 24.101(e)(4).

III. ISSUES NOT TO BE ADDRESSED

The Order of Referral also requests parties to identify issues not to be addressed in this docket. The Petition references several past and ongoing lawsuits (including a suit presently pending in state district court) brought by WOWSC ratepayers against the WOWSC Board of Directors. Petitioners allege that WOWSC has been negligent in past real estate dealings (which is functionally the same allegation that certain Petitioners have made in the pending state court litigation) and that WOWSC should be required to sell its real estate assets to cover litigation costs.¹ In an appeal under TWC § 13.043(b), the Commission “shall hear the appeal de novo and shall fix in its final order the rates the governing body should have fixed in the action from which the appeal was taken and may include reasonable expenses incurred in the appeal proceedings.”² This proceeding should not address any issues in past and ongoing litigation that are distinct to determining whether the rates effective March 23, 2020, are just and reasonable, as those matters have been or are presently being litigated in court.

¹ Petition at 4.

² Texas Water Code § 13.043(a).

Respectfully submitted,

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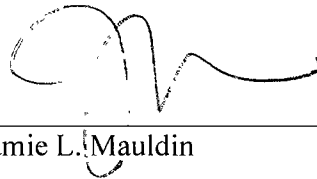
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**ATTORNEYS FOR WINDERMERE OAKS
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CERTIFICATE OF SERVICE

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 July 1, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.



Jamie L. Mauldin