



Filing Receipt

Received - 2021-11-23 11:44:53 AM

Control Number - 50788

ItemNumber - 145

**SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788**

**RATEPAYERS APPEAL OF THE
DECISION BY WINDERMERE OAKS
WATER SUPPLY CORPORATION TO
CHANGE WATER AND SEWER RATES**

§
§
§
§
§

**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**



**SUPPLEMENTAL DIRECT TESTIMONY OF
MAXINE GILFORD
RATE REGULATION DIVISION
PUBLIC UTILITY COMMISSION OF TEXAS
NOVEMBER 23, 2021**

TABLE OF CONTENTS

I. STATEMENT OF QUALIFICATIONS 1

**II. SUMMARY OF RATE CASE EXPENSES INCLUDING AMOUNTS SUPPORTED
SUBSEQUENT TO MAY 5, 2021 1**

1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Maxine Gilford. My business address is 1701 N. Congress Avenue, Austin,
4 Texas 78701.

5 **Q. Are you the same Maxine Gilford who filed direct testimony on May 5, 2021?**

6 A. Yes. I am.

7 **Q. What is the purpose of your supplemental testimony in this proceeding?**

8 A. The purpose of my testimony is to update my recommendation regarding the
9 reasonableness and necessity of the rate-case expenses related to this proceeding incurred
10 by Windermere Oaks Water System (Windermere) that will be considered during the
11 hearing on the merits.

12 **Q. What is the basis of your recommendation?**

13 A. My recommendation is based on the review and analysis of the supplemental rate-case
14 expense documentation filed in this proceeding by Windermere subsequent to the filing
15 of my direct testimony on May 5, 2021.

16 **II. SUMMARY OF RATE CASE EXPENSES INCLUDING AMOUNTS**
17 **SUPPORTED SUBSEQUENT TO MAY 5, 2021**

18 **Q. What is the total amount of rate-case expenses requested by Windermere at the time**
19 **of your supplemental testimony?**

20 A. Windermere's requested rate-case expenses for the period May 1, 2020, through October
21 31, 2021 are \$281,575.65.¹

22 **Q. What is your recommendation regarding the recovery of rate-case expenses?**

23 A. I recommend that the Commission allow recovery of rate-case expenses in the amount of
24 \$281,575.65.

¹ Second Supplemental Direct Testimony of Jamie L. Mauldin at 4 (Nov. 19, 2021).

1 **Q. If the Commission allows recovery of rate-case expenses, how should they be**
2 **recovered?**

3 A. If Windermere is permitted to impose a surcharge, I recommend that Windermere recover
4 these rate-case expenses through a monthly surcharge to all of its customers over a five-
5 year period. I recommend that the monthly amount equal the total rate-case expenses
6 divided by the current number of connections, divided by five years, divided by twelve
7 months. I recommend that the Commission limit recovery to the earlier of 60 months or
8 such time that Windermere recovers the full amount of allowed rate-case expenses. For
9 the expenses incurred through October 31, 2021, the monthly surcharge per water
10 connection and per wastewater connection equals \$9.09 (\$281,575.65 divided by the sum
11 of 271 water accounts and 245 wastewater accounts² divided by 60 months).

12 **Q. What is your recommendation related to the recovery of Windermere's rate-case**
13 **expenses if it cannot impose a surcharge?**

14 A. My secondary recommendation is that Windermere obtain recovery of its rate-case
15 expenses through the true-up mechanism as allowed under its tariff. A one-time true up
16 mechanism equals \$545.69 (\$281,575.65 divided by the sum of 271 water accounts and
17 245 wastewater accounts³) per each water and each wastewater connection.

18 Another alternative is that Windermere recover the rate-case expenses using a five-year
19 amortization period in rates. This alternative produces an annual rate-case expense
20 allowance of \$56,315.13 (\$281,575.65 divided by five).

21 **Q. What is your recommendation related to the rate-case expenses Windermere incurs**
22 **subsequent to October 31, 2021?**

23 A. I recommend that the Administrative Law Judge leave the record open and allow
24 Windermere to update its rate-case expenses after the hearing and closer to the time a final
25 order is issued to limit the amount of trailing rate-case expenses resulting from this

² Gimenez Direct at 9.

³ *Id.*

1 proceeding. For the expenses incurred after the close of the record, I recommend that
2 Windermere request recovery of the trailing expenses in a compliance proceeding where
3 its residual rate-case expenses can be reviewed. Windermere must provide supporting
4 documentation for the expenses at that time. Because Windermere is a non-investor
5 owned utility, it will not have the opportunity to recover the trailing expenses unless its
6 ratepayers present another appeal to the Commission. A compliance proceeding provides
7 the opportunity for Windermere to recover those expenses incurred subsequent to the
8 close of the record.

9 **Q. Does this conclude your direct testimony?**

10 A. Yes.