



Control Number: 50939



Item Number: 3

Addendum StartPage: 0



DOCKET NO. 50939

**APPLICATION OF TRENT WATER
WORKS, LLC FOR AUTHORITY TO
CHANGE RATES**

§
§
§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS, NOTICE, AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 1, files this Recommendation on Administrative Completeness, Notice, and Proposed Procedural Schedule. Staff recommends that the application be deemed administratively incomplete and that the applicant be ordered to address the deficiencies identified below. In support thereof, Staff shows the following:

I. BACKGROUND

On June 16, 2020, Trent Water Works, LLC (Trent) filed an application for a Class C rate change for its water customers under Texas Water Code (TWC) §13.1871 and §13.18715. Trent holds water Certificate of Convenience and Necessity (CCN) No. 11050, with a total of 957 active connections as of December 31, 2018.

On June 22, 2020, the Administrative Law Judge issued Order No. 1, setting a deadline of July 16, 2020 for Staff to file comments on the administrative completeness of the application and proposed notice, and to propose a procedural schedule. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and, as detailed in the attached memoranda from Maxine Gilford of the Commission's Rate Regulation Division and Heidi Graham of the Infrastructure Division, recommends that it be found administratively incomplete and not accepted for filing at this time. Specifically, Staff has identified deficiencies in the application content and the notice provided to Trent's customers. Staff recommends that Trent be ordered to cure the deficiencies identified in Ms. Gilford's and Ms. Graham's memoranda by September 13, 2020,¹ and that Staff be given a deadline of October 12, 2020 to file a supplemental recommendation on the administrative completeness of the application. Staff notes that Trent

¹ Staff attempted to contact the representative for Trent listed in the application to confer about this deadline and was unable to reach her as of the time of filing.

should not re-notice customers until the application is deemed sufficient. Finally, Staff recommends that Trent's proposed effective date be suspended under 16 Texas Administrative Code (TAC) § 24.33(b)(1).

III. COMMENTS ON PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of this docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation regarding administrative completeness.

IV. CONCLUSION

For the reasons stated above, Staff respectfully requests that the application be found administratively incomplete at this time, and that Trent be ordered to file a supplement addressing the identified deficiencies in the application content and provision of notice by September 13, 2020.

Dated: July 15, 2020

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Rachelle Nicolette Robles
Division Director

Eleanor D'Ambrosio
Managing Attorney

/s/ Justin C. Adkins

Justin C. Adkins
State Bar No. 24101070
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7289
(512) 936-7268 (facsimile)
Justin.Adkins@puc.texas.gov

DOCKET NO. 50939

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 16, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Justin C. Adkins
Justin C. Adkins

Public Utility Commission of Texas

Memorandum

To: Justin Adkins, Attorney
Legal Division

From: Heidi Graham, Lead Engineering Specialist
Infrastructure Division

Date: July 16, 2020

Subject: Docket No. 50939: *Application of Trent Water Works, LLC for Authority to Change Rates*

On June 16, 2020, Trent Water Works, LLC (Applicant) filed a Class C rate change application with the Public Utility Commission of Texas (Commission) for service provided under water Certificate of Convenience and Necessity (CCN) No. 11050 in Brazoria County. An administrative review of the application has been made pursuant to Texas Water Code §§ 13.1871 and 13.18715 and 16 Texas Administrative Code (TAC) §§ 24.25 through 24.33.

Infrastructure Staff has reviewed the application and recommends that the application be found administratively incomplete due to deficiencies in the application. Staff further recommends that the proposed effective date of the rate increase be suspended. Finally, Staff recommends that Applicant correct the identified deficiencies by amending its application.

Staff specifically identified the following deficiencies:

1. The application lists a test year ending December 31, 2018. The test year is defined as the most recent 12-month period, beginning on the first day of a calendar or fiscal year quarter, for which operating data for a retail public utility is available.¹ If the test year used by the Applicant does not end on a date that is within a year of the filing date of the application, then the financial data will be too old to relate to the period for which rates are being set. Since the application was filed on June 16, 2020, the test year should not end more than a year before this date. Staff recommends that the Applicant amend the application to use data from a more recent test year.
2. Schedules I-1 and III-3 of the application need to be updated to include data for a test year that ends on a date meeting the requirements of 16 TAC § 24.3(37).

¹ 16 TAC § 24.3(37).

Public Utility Commission of Texas

Memorandum

To: Justin Adkins, Attorney
Legal Division

From: Maxine Gilford
Rate Regulation Division

Date: July 16, 2020

Subject: Docket No. 50939: *Application of Trent Water Works, LLC for Authority to Change Rates*

On June 16, 2020, Trent Water Works, LLC (Applicant) filed a Class C Rate Change Application with the Public Utility Commission of Texas (Commission) for service provided in Brazoria County under water Certificate of Convenience and Necessity (CCN) No. 11050. An administrative review of the application and notice has been made pursuant to Texas Water Code (TWC) §§ 13.1871 and 13.18715 and 16 Texas Administrative Code (TAC) §§ 24.25 through 24.33.

Staff has reviewed the application and recommends that it be found administratively incomplete due to deficiencies in the application and notice. Staff further recommends that the proposed effective date of the rate increase be suspended. Finally, Staff recommends that the Applicant correct the identified deficiencies by amending its application and re-noticing its affected customers.

Staff specifically identified the following deficiencies:

1. A copy of the Applicant's current Commission (or predecessor agency) approved tariff was not provided with the application.
2. Schedule III-1, Line No. 4-5, Column C should add up to 100%. Please clarify if the Applicant is requesting a 50% debt and 50% equity capital structure, or a 0% debt and 100% equity capital structure.
3. Schedule III-1, Line No. 5, Column D and F should match, and any comments to justify these rates should be added to the section below Schedule III-1. Please include any calculations or explanations utilized to determine the requested return on equity.
4. For notice to customers:
 - a. The company name is incorrectly stated as "Trent Water Works." The company name is "Trent Water Works, LLC."
 - b. The docket number on the notice is blank. The docket number should be 50939.
 - c. The number of ratepayers that represents 10% of the utility's customers was left blank. The number must be included on the notice.

- d. The phone number on the notice is not the same phone number listed in the application. Please confirm the correct phone number on the notice.
- e. Please explain why Parkland Subdivision was not listed on the notice.
- f. River Run Water System's PWS number is 0200575 on the latest tariff in the Commission's records, and 02000575 on the notice. Please provide the correct PWS number on the notice or provide an explanation.
- g. The Billing Comparison of 5,000 gallons for the ¾" meter proposed rate is \$57.28. It should be \$57.60.
- h. The Billing Comparison of 10,000 gallons for the ¾" meter proposed rate is \$73.58. It should be \$58.90.
- i. The Billing Comparison of 5,000 gallons for the 1½" meter proposed rate is \$152.90. It should be \$188.98.
- j. The Billing Comparison of 10,000 gallons for the 1½" meter proposed rate is \$169.20. It should be \$190.28.
- k. The affidavit of notice was notarized prior to the date the Applicant stated that it provided notice. Please provide a notarized affidavit after notice is provided to customers.
- l. Upon re-noticing, the Applicant must ensure that the effective date of the proposed increase is at least 35 days after notice was provided to customers and that the names of the subdivisions and PWS numbers affected by the rate increase match the names of the subdivisions and PWS numbers listed on the tariff.