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DOCKET NO. 51764

COMPLIANCE FILING FOR	§	PUBLIC UTILITY COMMISSION
DOCKET 49758 (APPLICATION OF	§	
MARK PATTERSON FOR	§	OF TEXAS
TEMPORARY RATES FOR A	§	
NONFUNCTIONING UTILITY)	§	

COMMISSION STAFF'S RESPONSE TO ORDER NO. 13

I. BACKGROUND

On January 26, 2021, the Office of Policy and Docket Management (OPDM) opened a compliance filing for Docket No. 49758. In Docket No. 49758,¹ Mark Patterson requested temporary rates under Texas Water Code (TWC) § 13.046 and 16 Texas Administrative Code (TAC) § 24.363 for Castle Water, Inc. dba Horseshoe Bend Water System (Castle Water). On February 12, 2021, the Commission entered an order and approved modified rates that allowed recovery of compensation for the temporary manager through a separate rate and not as part of the minimum monthly charge or volumetric charge. According to the final order dated February 12, 2021, reconciliation of the temporary rates will begin following the filing of the final report, upon the request of the Staff (Staff) of the Public Utility Commission, or as directed by the Commission.

On June 13, 2023, the administrative law judge (ALJ) filed Order No. 13, requiring Mr. Patterson and Staff to file an amended status report for Oak Shores Water System indicating whether reconciliation is appropriate in this docket. Therefore, this pleading is timely filed.

II. COMMISSION STAFF'S RESPONSE

Staff as reviewed Mr. Patterson's report filed on June 26, 2023 which covers the period from November 2022 – May 2023. The ALJ's Order No. 13 sets the June 26, 2023 deadline for Mr. Patterson to file an amended status report for Oak Shores Water System; therefore, Mr. Patterson's reports were timely filed. As noted in the attached memorandum of Nima Momtahan, Receivership Coordinator with the Commission's Division of Utility Outreach, the receivership case is still open at the Texas Office of the Attorney General (OAG). As of Mr. Momtahan's most recent communication with Mr. Patterson on June 20, 2023, he learned that the OAG is actively working with Mr. Patterson's lawyer to finalize the court's order and achieve closure of the

¹ *Application of Mark Patterson for Temporary Rates for Temporary Rates for a Nonfunctioning Utility*, Docket No. 49758, Order (Feb. 12, 2021).

receivership case. However, certain issues related to obtaining the required title documents have caused delays in the completion of the final order and receivership closeout by the court. Accordingly, Staff does not recommend that reconciliation be initiated at this time. Instead, Staff recommends that Mr. Patterson be directed to continue submitting the reports for the previous month by the last day of each month. Additionally, Staff requests that Mr. Patterson be directed to inform the Commission as soon as the court officially closes the receivership case.

III. CONCLUSION

For the reasons discussed above, Staff does not recommend that reconciliation be initiated at this time. Instead, Staff recommends that Mr. Patterson be directed to continue submitting the reports for the previous month by the last day of each month. Additionally, Staff requests that Mr. Patterson be directed to inform the Commission as soon as the court officially closes the receivership case.

Dated: June 26, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez-Wagley
Division Director

/s/ John Harrison
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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 June 26, 2023, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ John Harrison

John Harrison

Public Utility Commission of Texas

Memorandum

TO: Sneha Patel, Managing Attorney
Legal Division

FROM: Nima Momtahan, Receivership Coordinator
Division of Utility Outreach

DATE: June 26, 2023

RE: *COMPLIANCE FILING FOR DOCKET 49758 (APPLICATION OF MARK PATTERSON FOR TEMPORARY RATES FOR A NONFUNCTIONING UTILITY)*
- Docket No. 51764

I am writing to provide my recommendation on whether reconciliation is appropriate in Docket No. 51764, the Compliance Filing for Docket No. 49758, which pertains to the Application of Mark Patterson for Temporary Rates for a Nonfunctioning Utility. Based on my review of the relevant information, I cannot currently recommend reconciliation for the aforementioned docket.

The latest report submitted by Mr. Patterson on June 26, 2023, covers the period from November 2022 – May 2023. The ALJ's Order No. 13 sets the June 26, 2023 deadline for Mr. Patterson to file an amended status report for Oak Shores Water System; therefore, Mr. Patterson's reports were timely filed.

It is important to note that the receivership case is still open at the attorney general's office. I have reached out to the assistant attorney general overseeing the case. As of my last communication on June 20, 2023, I learned that the OAG is actively working with Mr. Patterson's lawyer to finalize the court's order and achieve closure of the receivership case. However, certain issues related to obtaining the required title documents have caused delays in the completion of the final order and receivership closeout by the court.

Considering the open receivership case at the OAG, at the moment, I believe it would be best not to initiate the reconciliation process. Instead, I recommend that Mr. Patterson be directed to continue submitting the reports for the previous month by the last day of each month. Additionally, I suggest that Mr. Patterson informs the Commission as soon as the court officially closes the receivership case.