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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. 19

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 Oak Shores Water System (Oak Shores). 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 January 18, 2024, the administrative law judge (ALJ) filed Order No. 19, requiring Staff to file a supplemental recommendation on the sufficiency of Mr. Patterson's November 15, 2023 filing by February 1, 2024.

II. COMMISSION STAFF'S RESPONSE

As described in the attached memorandum of Nima Momtahan, Receivership Coordinator with the Commission's Division of Utility Outreach, Staff respectfully recommends that Mr. Patterson's November 15, 2023 filing is sufficient. However, at this time Staff cannot recommend reconciliation and closure of this docket due to the open receivership case at the Office of the Attorney General. Staff respectfully recommends that Mr. Patterson be directed to continue submitting the required reports until ordered otherwise and that he be required to inform the Commission should he be dismissed as receiver for the Sunset Water System/Oak Shores Water System by the 459th Judicial District Travis County Court.

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

III. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the foregoing information be taken into consideration.

Dated: February 1, 2023

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Marisa Lopez-Wagley
Division Director

/s/ John York Harrison
John York Harrison
Senior Managing Attorney
State Bar No. 24097806
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7277
(512) 936-7268 (facsimile)
John.Harrison@puc.texas.gov

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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 February 1, 2023, in accordance with the Order Suspending Rules, filed in Project No. 50664.

/s/ John York Harrison
John York Harrison

Public Utility Commission of Texas

Memorandum

TO: John Harrison, Senior Managing Attorney
Legal Division

FROM: Nima Momtahan, Receivership Coordinator
Division of Utility Outreach

DATE: January 26, 2023

RE: Docket No. 51764 – *Compliance Filing For Docket 49758 (Application of Mark Patterson for Temporary Rates for a Nonfunctioning Utility)*

I am writing to provide my recommendation in response to Order No. 19 filed in Docket No. 51764, the Compliance Filing for Docket No. 49758. The aforementioned dockets pertain to the Application of Mark Patterson for Temporary Rates for a Nonfunctioning Utility, Sunset Water System/Oak Shores Water System (PWS ID No. 1690007, Canceled CCN# 11779).

On July 17, 2019, 459th Judicial District Travis County Court appointed Mark Patterson as the receiver for Sunset Water System/Oak Shores Water System¹. The Court order states that the receivership shall continue until further order of the Court, and Mr. Patterson has not been dismissed as the receiver.

Mr. Patterson filed an Application for Temporary Rates for a Nonfunctioning Utility and on February 12, 2021, the Commission modified and approved Staff's revised proposed tariff, subject to reconciliation². Ordering Paragraph 4 of the Commission's Order required Mr. Patterson to submit quarterly reports that address, in detail, all needed repairs identified in the application, in Docket No. 51764. On November 15, 2023, Mr. Patterson submitted reports for June 2023 to October 2023 in the instant docket. I have reviewed the filings and recommend the reports met the requirement of the Ordering Paragraph 4 of the Commission's February 12, 2021 Order.

In conclusion, I recommend that Mr. Patterson's November 15, 2023 filing is sufficient. However, due to the open receivership case at the OAG, I cannot recommend reconciliation and closure of this docket. I further recommend that Mr. Patterson be directed to continue submitting the required reports until ordered otherwise and inform the Commission as soon as the court dismisses him as the receiver.

¹ *Travis County, Texas, 459th Judicial District Court, Cause No. D-1-GN-18-022771.*

² *Application of Mark Patterson for Temporary Rates for Services Provided for a Nonfunctioning Utility, Docket No. 49758, Order (Feb 12, 2021).*