



Filing Receipt

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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. 23

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 March 27, 2025, the administrative law judge (ALJ) filed Order No. 27, requiring Staff to file a recommendation regarding reconciliation and a proposed procedural schedule for the continued processing of this docket by April 11, 2025. Therefore, this pleading is timely filed.

II. RECOMMENDATION

As described in the attached memorandum of Patricia Garcia, Infrastructure Analysis Section Director with the Commission's Infrastructure Division, Staff respectfully recommends that Mr. Patterson has generally met the requirements set forth in Ordering Paragraph number 3 from Docket No. 49758. Although Mr. Patterson did not submit invoices with the reconciliation report, invoices were filed with each monthly report. Additionally, as the Sunset Water System

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

has been sold to Patterson Water System and the temporary rates have been discontinued, Staff recommends this compliance docket be closed.

III. CONCLUSION

Staff respectfully recommends that this compliance docket be closed.

Dated: September 10, 2024

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Marisa Lopez-Wagley
Division Director

/s/ John York Harrison
John York 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 April 11, 2025, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ John York Harrison
John York Harrison

Public Utility Commission of Texas

Memorandum

TO: John Harrison, Attorney
Legal Division

FROM: Patricia Garcia, Infrastructure Analysis Section Director
Infrastructure Division

DATE: April 11, 2025

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

Background:

On May 6, 2024, Mark Patterson, former receiver and now owner of the Sunset Water System/Oak Shores Water System, public water system identification number 1690007, (Sunset Water System) former Certificate of Convenience and Necessity (CCN) No. 11779 filed with the Public Utility Commission (Commission) an “Order on Final Disposition of Receivership” from the Attorney General’s Office filed in the Travis County District Court. The order releases Mark Patterson as receiver of the utility, which was transferred to Patterson Water Supply, LLC (Patterson Water), CCN No. 13248, in Docket No. 51102.

Analysis

Under the temporary rates Mr. Patterson collected a monthly average of \$10,5578.22 from an average number of 182 customers of the Sunset Water System from February 2021 through January 2025. The reconciliation report shows a balance of \$20,248.34 for the Sunset Water System from July 2019 through March 2025.

Recommendation:

I recommend that the reports and reconciliation report submitted by Mr. Patterson for the Sunset Water System generally met the requirements set forth in Ordering Paragraph number 3. Although Mr. Patterson did not submit invoices with the reconciliation report, invoices were filed with each monthly report. Additionally, as the Sunset Water System has been sold to Patterson Water System and the temporary rates have been discontinued, I recommend this compliance docket be closed.