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<p>ISSUES RELATED TO THE STATE OF DISASTER FOR THE FEBRUARY 2021 WINTER WEATHER EVENT</p>	<p>§ § §</p>	<p>PUBLIC UTILITY COMMISSION OF TEXAS</p>	<p>COMMISSIONER FILING CLERK</p>
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**TEXAS ASSOCIATION OF WATER COMPANIES, INC.'S
COMMENTS ON WINTER STORM ISSUES**

The Texas Association of Water Companies, Inc. (TAWC) is a Texas nonprofit corporation established by Texas investor-owned water and sewer utilities to be the Texas chapter of the National Association of Water Companies (NAWC).¹ TAWC hereby respectfully submits the following comments on the Commission's Order Directing Certain Actions and Granting Exceptions to Certain Rules issued in this project and other issues related to the February 2021 winter weather event (Order).²

TAWC members have been working diligently since the winter storm event to take actions needed to restore water and wastewater services to customers where interruptions occurred. TAWC members deeply care about their customers and have had to overcome significant challenges caused by circumstances out of their control, including power outages during the storm. The Texas Commission on Environmental Quality (TCEQ) has begun examining the facts of what transpired with Texas water and wastewater systems during and following the February 2021 winter storm in hopes of alleviating impacts from such a storm in the future, and TAWC looks forward to participating in that process.³

¹ NAWC is a trade association that represents 53 investor-owned water and wastewater companies in 37 states across the country. NAWC's members provide 73 million Americans with safe and reliable water service every day.

² Order Directing Certain Actions and Granting Exceptions to Certain Rules (Feb. 21, 2021).

³ See Texas Commission on Environmental Quality Work Session (Mar. 3, 2021) (discussing response, post-event analysis, and potential response actions relating to the severe weather event beginning Feb. 14, 2021)

In the meantime, Commission Staff and TAWC have discussed the need for Commission action on several items related to the Order and winter storm response efforts. Those items are discussed below.

A. Winter Month Averaging for Wastewater Bills

Wastewater utilities typically have one of three types of wastewater rate designs reflected in their tariffs: (1) flat rates; (2) volumetric rates based on monthly water consumption; or (3) volumetric billing based on winter month average water consumption. For wastewater utilities that use winter month averaging, customer bills have been impacted by the winter storm because the month of February 2021 was an anomaly compared to typical winters in terms of customer water consumption. The amount of water consumed by many customers on their side of the utility meter was generally far more than in a typical winter month because of pipe ruptures, water leaks, or dripping faucets intended to prevent such ruptures/leaks.

To address the situation, TAWC respectfully requests that the Commission act to revise the Order in a follow-up decision that allows wastewater utilities to implement one of two options for winter month averaging during the coming year until utilities can reassess average winter month consumption during the 2021-22 winter months:

1. Remove February 2021 from the months the utility would typically use for winter month water consumption averaging according to its effective wastewater rate tariff.
2. Use winter month average water consumption information from the 2019-2020 winter months instead of the 2020-2021 winter months that include February 2021.

Utilities with wastewater rate tariffs that specify use of flat rates should not be required to implement these options because those rates will remain unaffected by abnormal February 2021 water consumption. But for utilities that do practice winter month averaging for wastewater

bills, TAWC believes the options presented above would be reasonable ways to address the current situation and provide some measure of relief for customers.

B. Estimated Water and Wastewater Bills

In order to further assist water and wastewater customer bills impacted by higher consumption caused by the winter storm event in February 2021, TAWC submits that the Commission should rescind or clarify the portion of the Order that grants an exception to “16 TAC § 24.165(i), which relates to requirements for estimated bills.”⁴ The specific text of that rule says: “Estimated bills. When there is good reason for doing so, a water or sewer utility may issue estimated bills, provided that an actual meter reading is taken every two months and appropriate adjustments made to the bills.”⁵ TAWC members would like to use this rule as the basis to issue estimated bills to customers that incorporate a water leak adjustment because of February 2021 water consumption anomalies. However, one reading of the Commission’s Order is that 16 TAC § 24.165(i) cannot currently be used to support issuing estimated bills until the Order is rescinded or modified. Further, water and wastewater utilities often apply this rule to address situations where a meter has malfunctioned or cannot be read for some reason unrelated to the recent winter storm emergency. The exception is simply not clear and may be to the detriment of water and wastewater utility customers. TAWC members would like the Commission to fix this portion of the Order through either clarification or removal of the exception to 16 TAC § 24.165(i). TAWC members would like to be in position to offer reasonable and appropriate water leak adjustments to customers for February 2021 with Commission support.

⁴ *Id.* at 2.

⁵ 16 TAC § 24.165(i).

C. Winter Storm Cost Recovery

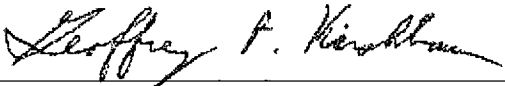
In 2020, when the Commission ordered a moratorium on disconnects and late fees during the initial months of the COVID-19 state of disaster, it also authorized accrual of a regulatory asset to provide an accounting mechanism and a subsequent process through which “regulated utility companies may seek future recovery of expenses resulting from the effects of COVID-19.”⁶ The Commission has not taken that step with respect to the February 2021 winter storm event. TAWC members have experienced many extraordinary costs required to restore service for their water and wastewater systems that they would not normally experience but for the winter storm and resulting power outages. Further, as with COVID-19, TAWC members anticipate financial impact from unpaid customer accounts, some of which could be attributable to the Commission’s current moratorium on disconnects for nonpayment and late fees included in the Order. The Commission should establish a new regulatory asset and cost recovery mechanism for water and wastewater utilities specific to the February 2021 winter storm event.

CONCLUSION

TAWC respectfully requests the Commission implement the items described herein with respect to the Commission’s winter storm event response. These actions will serve to provide some measure of relief for water and wastewater customers and the utilities serving them.

⁶ *Issues Related to the State of Disaster for the Coronavirus Disease 2019*, Project No. 50664, Order Related to Accrual of Regulatory Assets (Mar. 26, 2020).
TAWC's Comments on Winter Storm Issues

Respectfully submitted,

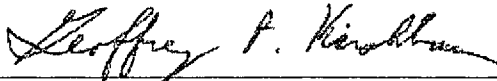
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**ATTORNEYS FOR TEXAS ASSOCIATION OF
WATER COMPANIES, INC.**

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 March 10, 2021, in accordance with the Orders Suspending Rules filed in Project No. 50664.



Geoffrey P. Kirshbaum