



Control Number: 51843



Item Number: 22

Public Utility Commission of Texas

Commissioner Memorandum

2021 JUL 23 AM 11:17

TO: Chairman Peter M. Lake
Commissioner Lori Cobos

FROM: Commissioner Will McAdams

DATE: July 28, 2021

RE: July 29, 2021 Open Meeting – Item No. 4

Docket No. 51843 – *Application of CSWR-Texas Utility Operating Company, LLC for Temporary Rates for a Nonfunctioning Utility*

I recommend certain changes to the proposed order to clarify the reconciliation process. Specifically, if during the reconciliation process it is shown that the temporary rates resulted in over- or under-collection of revenue for the utility, the Commission may modify the temporary rates. Therefore, I recommend modifying ordering paragraphs 1 and 4, adding a new ordering paragraph, and deleting ordering paragraphs 9 and 10. Subsequent ordering paragraphs should be renumbered.

1. The Commission approves the temporary rates proposed in Commission Staff's recommendation on final disposition to the extent provided in this Order. The temporary rates approved by this Order are subject to reconciliation, ~~and the Commission may revise the temporary rates following its reconciliation review.~~
4. ~~For t~~The reconciliation review must compare the, revenues received through the temporary rates ~~will be compared to the actual expenses incurred by the utility. If the reconciliation demonstrates that the temporary rates are excessive or deficient, the Commission may modify the temporary rates. The temporary manager must file invoices, cancelled checks, or other documentation to support all actual expenses. The temporary manager must categorize all actual expenses into two categories: (a) operating expenses; or (b) repair, replacement, or improvement expenses.~~
- X. To allow for a proper reconciliation, the temporary manager must file invoices, cancelled checks, or other documentation to support all actual expenses. The temporary manager must categorize all actual expenses into two categories: (a) operating expenses; or (b) repair, replacement, or improvement expenses.
9. ~~If the required monthly reports demonstrate a collection of excess funds as a result of the temporary rate, CSWR-Texas must use excess funds for systems improvements and repairs.~~

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~~10. If any overages were collected from customers for the months the requested rate was billed, CSWR Texas must issue no refunds to the customers. Instead, the excess funds should be used to pay for system improvements and repairs and the liability reduced by the amount incurred repairs and maintenance.~~

I recommend deletion of ordering paragraph 3 because notice of the application for temporary rates was completed, as addressed in conclusion of law 3.

~~3. CSWR Texas must provide notice of the \$23.42 per connection per month surcharge approved in this Order at least one billing cycle prior to the billing cycle in which it begins collecting the surcharge.~~

Finally, the Commission should delegate to the Office of Policy and Docket Management staff the authority to modify the order to conform to the Citation and Style Guide for the Public Utility Commission of Texas and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.