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APPLICATION OF CSWR-TEXAS
UTILITY OPERATING COMPANY, LLC
FOR TEMPORARY RATES FOR A
NONFUNCTIONING UTILITY

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PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

**COMMISSION STAFF'S COMMENTS ON ADMINISTRATIVE COMPLETENESS
AND NOTICE**

On February 3, 2021, the Commission appointed CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) as the temporary manager for Farrar Water Supply Corporation in Limestone County.¹ On February 26, 2021, CSWR-Texas filed an application requesting a temporary rate increase under Texas Water Code § 13.046 and 16 Texas Administrative Code (TAC) § 24.363.

On March 10, 2021, the administrative law judge filed Order No. 1, setting a deadline of April 8, 2021 for the Staff of the Public Utility Commission of Texas (Staff) to file comments on the administrative completeness of the application and a recommendation on notice. Therefore, this pleading is timely filed.

**I. COMMENTS ON ADMINISTRATIVE COMPLETENESS AND SUFFICIENCY
OF NOTICE**

Staff has reviewed the application, and as supported by the attached memorandum of Patricia Garcia of the Infrastructure Division, Staff recommends that the application be found administratively complete and accepted for filing. Staff further recommends that CSWR-Texas be required to file the information described in the attached memorandum. This recommendation does not address the merits of the application.

Staff has also reviewed the notice provided by CSWR-Texas and recommends that it be deemed sufficient. Under 16 TAC § 24.363(b), notice of a temporary rate must be sent to customers "no later than the first bill which includes the temporary rates." CSWR-Texas sent notice of the temporary rates with the first bill that included the temporary rates. Therefore, Staff

¹ *Petition for an Order Appointing a Temporary Manager for Farrar Water Supply Corporation*, Docket No. 51551, Order Appointing a Temporary Manager (Feb. 3, 2021).

recommends that notice be deemed sufficient and that CSWR-Texas be authorized to begin collecting the noticed temporary rates.

II. CONCLUSION

For the reasons detailed above, Staff respectfully requests the entry of an order finding the application administratively complete and notice sufficient.

Dated: April 8, 2021

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Eleanor D'Ambrosio
Managing Attorney

/s/ Daniel Moore
Daniel Moore
State Bar No. 24116782
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7465
(512) 936-7268 (facsimile)
Daniel.Moore@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 April 8, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Daniel Moore
Daniel Moore

Public Utility Commission of Texas

Memorandum

TO: Daniel Moore, Attorney
Legal Division

FROM: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

DATE: April 8, 2021

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

Background:

On February 26, 2021, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas), temporary manager of Farrar Water Supply Corporation (Farrar), filed with the Public Utility Commission of Texas (Commission) an application for a temporary rate increase in Limestone County, Texas, under Texas Water Code § 13.046 (TWC) and 16 Texas Administrative Code (TAC) § 24.363.

CSWR-Texas was appointed as the temporary manager for Farrar by the Commission effective on February 3, 2021.¹

Farrar's water Certificate of Convenience and Necessity (CCN) No. 12429 was revoked by the Commission on November 20, 2015.² At the time CSWR-Texas was appointed as the temporary manager there were at least 19 connections being served by Farrar.³

CSWR-Texas requests approval of a temporary rate increase to provide continuous and adequate service to customers and to assist in ensuring compliance with Texas Commission on Environmental Quality and Commission rules. CSWR-Texas's application states that notice was provided to the customers on or before March 7, 2021. Under 16 TAC § 24.363(b), "Notice of the temporary rate must be provided to the customers of the nonfunctioning system no later than the first bill which includes the temporary rates."

¹ *Petition for an Order Appointing a Temporary Manager for Farrar Water Supply Corporation*, Docket No. 51551, Order Appointing a Temporary Manager (Feb. 3, 2021).

² *Id.* at Finding of Fact No. 14.

³ *Id.* at Finding of Fact No. 2.

Commission Staff was given a deadline of April 8, 2021 to comment on the administrative completeness of the application and provide a recommendation on notice.

Recommendation:

Based on Staff's review of CSWR-Texas's request, Staff recommends the following:

- 1) The notice provided to the customers be deemed sufficient.
- 2) The application be deemed sufficient.
- 3) CSWR-Texas provide the following documentation to support the temporary rate increase:
 - a) Operator costs incurred or expected from February 3, 2021 to the current date;
 - b) Electric bills from February 3, 2021 to the current date;
 - c) Laboratory sampling costs incurred from February 3, 2021 to the current date, and support to show expected laboratory costs (costs expected due to water system's sampling schedule);
 - d) Number and size of meters;
 - e) Total gallonage billed to customers for one month of service;
 - f) Costs of chemicals needed to operate the water system for one full month, along with receipts;
 - g) Invoices for costs incurred to repair the system;
 - h) Proof of the property taxes for the water system;
 - i) Proof of the regulatory fees for the water system;
 - j) Invoices for known and measurable monthly expenses incurred by the system;
 - k) Proof of any known and measurable adjustments to monthly expenses for the system, as well as any supporting calculations; and
 - l) Any other expected monthly costs for operation of the water system.