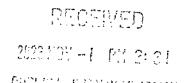


Control Number: 52075



Item Number: 85



OPEN MEETING COVER SHEET

COMMISSIONER MEMORANDUM

MEETING DATE: November 2, 2023

DATE DELIVERED: November 1, 2023

AGENDA ITEM NO.: Item No. 3

CAPTION: Docket No. 52075-Application of Forest Glen

Utility Company, Inc. for Authority to Change

Rates

DESCRIPTION: Memorandum of Interim Chair Kathleen Jackson

Public Utility Commission of Texas

Commissioner Memorandum

- 1972年 - 1973年 - 第221日 (日本) 第231日 第431日 - 1973年 - 1973年

TO:

Commissioner Will McAdams Commissioner Lori Cobos Commissioner Jimmy Glotfelty

FROM:

Interim Chair Kathleen Jackson 479

DATE:

November 1, 2023

RE:

November 2, 2023 Open Meeting - Item No. 3

PUC Docket No. 52075; SOAH Docket No. 473-22-09198.WS - Application of

Forest Glen Utility Company, Inc. for Authority to Change Rates.

A proposed order in the above-referenced docket is posted for consideration and action by the Commission. I recommend this proceeding be remanded to Docket Management for further processing on two issues: (1) evidence showing whether Forest Glen is in compliance with the Commission's order in Docket No. 47897¹ with respect to connection fees, and (2) Forest Glen's affiliates during the test year.

The Commission's final order in Docket No. 47897 explicitly required Forest Glen to "record each connection fee it receives as a contribution in aid of construction in the amount of the connection fee." In this proceeding, Forest Glen has not demonstrated that it recorded each connection fee it received as a contribution in aid of construction in the amount of the connection fee. Forest Glen was given an opportunity to identify evidence in the record or provide additional evidence reflecting the amount of each connection fee that Forest Glen received and recorded as a contribution in aid of construction. However, Forest Glen's response merely reasserted that the \$324,500 amount shown in the application was the total amount of connection fees it received. Without evidence of what Forest Glen recorded for each connection fee it received, the Commission cannot determine whether Forest Glen is in compliance with the Commission's prior order. Therefore, I recommend remanding this proceeding to Docket Management for Forest Glen to provide evidence showing whether it complied with the Commission's prior order with respect to connection fees.

On remand, I also recommend the parties address proposed findings of fact 33, 38, and 44, which state that Forest Glen was not an affiliate of BVRT Utility Holding Company, LLC or BVRT's subsidiary companies until February 9, 2021. As reflected in finding of fact 30, BVRT owned a minority interest in Forest Glen during the test year. Therefore, it appears that BVRT

¹ Application of Forest Glen Utility Company for Authority to Change Rates, Docket No. 47897, Order (Apr. 5, 2019).

² Id., Order, Ordering Paragraph 4 (emphasis added).

³ Office of Policy and Docket Management Memorandum at 1 (Sept. 26, 2023).

⁴ Response to Office of Policy and Docket Management Memo at 1 (Oct. 17, 2023)

was an affiliate of Forest Glen during the test year under the Texas Water Code and Commission rules.

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