



Control Number: 52075



Item Number: 85

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PUBLIC UTILITY COMMISSION  
ST. LOUIS, MO

# **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

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PUC

**TO:** Commissioner Will McAdams  
Commissioner Lori Cobos  
Commissioner Jimmy Glotfelty

**FROM:** Interim Chair Kathleen Jackson *KJG*

**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.*

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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. 47897<sup>1</sup> 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."<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> 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

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

<sup>2</sup> *Id.*, Order, Ordering Paragraph 4 (emphasis added).

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

<sup>4</sup> 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.