



Filing Receipt

Received - 2021-11-22 09:52:58 AM
Control Number - 52758
ItemNumber - 7

DOCKET NO. 52758

PETITION OF MCALLEN PUBLIC	§	PUBLIC UTILITY COMMISSION
UTILITY APPEALING WHOLESALE	§	
WATER RATES CHARGED BY	§	OF TEXAS
HIDALGO COUNTY WATER	§	
IMPROVEMENT DISTRICT NO. 3	§	

**COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF THE
PETITION AND REQUEST FOR REFERRAL**

On October 27, 2021, the McAllen Public Utility (McAllen) filed a petition with the Public Utility Commission of Texas (Commission), under Texas Water Code (TWC) § 12.013, appealing the wholesale water rates charged by the Hidalgo County Water Improvement District No. 3 (Hidalgo). McAllen requests that the Commission (1) establish interim rates during the pendency of this proceeding; (2) issue an order compelling Hidalgo to continue providing water service to McAllen in accordance with the existing contract; (3) find the rates adversely affect the public interest; (4) establish a reasonable water rate; and (5) order Hidalgo to refund all payments in excess of the reasonable rate fixed by the Commission.

On October 28, 2021, the administrative law judge (ALJ) filed Order No. 1, establishing a deadline of November 29, 2021 for Commission Staff (Staff) to file a recommendation whether the appeal meets the requirements of 16 Texas Administrative Code (TAC) § 24.305. Therefore, this pleading is timely filed.

I. SUFFICIENCY OF THE PETITION

Staff has reviewed McAllen’s petition and, as supported by the attached memorandum of Emily Sears, Rate Regulation Division, recommends that McAllen’s appeal meets the requirements of 16 TAC § 24.305 and is sufficient for filing. This recommendation does not address the merits of the petition.

II. REQUEST FOR REFERRAL

In accordance with Staff’s sufficiency recommendation and with 16 TAC § 24.307(a), Staff respectfully requests that the Commission refer the petition to the State Office of Administrative Hearings (SOAH) for an evidentiary hearing. In response to McAllen’s request that interim rates be decided by the Commission in a preliminary order, Staff recommends that this issue be referred

to SOAH as well. Staff anticipates there will be questions of law and fact that may need to be developed to properly address McAllen's motion for interim rates.

III. CONCLUSION

For the reasons detailed above, Staff respectfully requests the entry of an order finding the appeal sufficient and referring the proceeding to SOAH.

Dated: November 22, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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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 November 22, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles
Scott Miles

Public Utility Commission of Texas

Memorandum

To: Scott Miles, Attorney
Legal Division

From: Emily Sears, Financial Analyst
Rate Regulation Division

Date: November 22, 2021

Subject: **Docket No. 52758** – *Petition of McAllen Public Utility Appealing Wholesale Water Rates Charged by Hidalgo County Water Improvement District No. 3*

On October 27, 2021, the McAllen Public Utility filed a petition with the Public Utility Commission of Texas under Texas Water Code (TWC) § 12.013 appealing the wholesale water rates charged by the Hidalgo County Water Improvement District No. 3. An administrative review of the application and notice has been completed under TWC § 12.013 and 16 Texas Administrative Code § 24.305.

Based on a review of the information submitted, Staff recommends that the application be deemed sufficient for filing and found administratively complete.