



## Filing Receipt

**Received - 2022-01-28 12:14:40 PM**  
**Control Number - 52850**  
**ItemNumber - 5**

**TARIFF CONTROL NO. 52850**

|                                    |          |                                  |
|------------------------------------|----------|----------------------------------|
| <b>APPLICATION OF CONROE</b>       | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
| <b>RESORT UTILITIES, LLC FOR A</b> | <b>§</b> |                                  |
| <b>PASS THROUGH RATE CHANGE</b>    | <b>§</b> | <b>OF TEXAS</b>                  |

**COMMISSION STAFF'S RECOMMENDATION ON THE APPLICATION AND  
NOTICE**

On November 15, 2021, Conroe Resort Utilities, LLC (Conroe Resort) filed an application under 16 Texas Administrative Code (TAC) § 24.25(b)(2) for approval of a pass-through rate change for an increase in the fees billed by the San Jacinto River Authority.

On December 29, 2021, the administrative law judge (ALJ) filed Order No. 2, establishing a deadline of January 14, 2022, for Conroe Resort to cure deficiencies set out by staff in its recommendation filed on December 15, 2021. Order No. 2 also set a deadline of January 28, 2022, for the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation on the true-up report, pass through rate change, and proposed notice. Therefore, this pleading is timely filed.

**I. RECOMMENDATION ON THE APPLICATION**

Conroe Resort failed to file supplemental information as ordered by the ALJ in Order No. 2. Therefore, as detailed in the attached memorandum by Maxine Gifford of the Commission's Rate Regulation Division, Staff recommends that the application continue to be found administratively incomplete. Staff recommends that Conroe Resort be ordered to cure the deficiencies identified in Ms. Gilford's memorandum by February 28, 2022, and that Staff be given a deadline of March 14, 2022, to file a supplemental recommendation on the administrative completeness of the application.

**II. RECOMMENDATION ON NOTICE**

Conroe Resort similarly failed to amend the notice to cure the deficiencies identified in Ms. Gilford's memorandum as ordered by the ALJ in Order No. 2. Therefore, as detailed in the attached memorandum by Ms. Gifford, Staff recommends that the notice provided to customers continue to be found insufficient. Staff recommends that Conroe Resort amend the notice to cure the deficiencies identified in Ms. Gilford's memorandum by February 28, 2022, and that Staff be

given a deadline of March 14, 2022, to file a supplemental recommendation on the sufficiency of the notice.

### **III. CONCLUSION**

For the reasons detailed above, Staff respectfully requests that the application be found administratively incomplete, that Conroe be ordered to file supplemental information to cure the deficiencies in the application and notice by February 28, 2022, and that Staff be given a deadline of March 14, 2022, to file a supplemental response on the administrative completeness of the application and notice.

Dated: January 28, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Rustin Tawater  
Managing Attorney

/s/ Ian Groetsch  
Ian Groetsch  
State Bar No. 24078599  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7465  
(512) 936-7268 (facsimile)  
ian.groetsch@puc.texas.gov

**DOCKET NO. 52850**

**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 January 28, 2022, in accordance with the Order Suspending Rules issued in Project No. 50664.

/s/ Ian Groetsch  
Ian Groetsch

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Ian Groetsch, Attorney  
Legal Division

**FROM:** Maxine Gilford, Financial Analyst  
Rate Regulation Division

**DATE:** January 28, 2022

**RE:** Tariff Control No. 52850 - *Application of Conroe Resort Utilities, LLC for a Pass-Through Rate Change*

---

On November 15, 2021, Conroe Resort Utilities, LLC (Conroe Resort) filed an application to implement a pass-through rate change under 16 Texas Administrative Code (TAC) § 24.25(b)(2) for an increase in the fees billed by San Jacinto River Authority (Authority). The Authority amended its rates effective September 1, 2021. Conroe Resort is requesting to amend its tariff to implement a pass-through fee of \$3.40 per thousand gallons, effective November 1, 2021.

Based on several deficiencies noted in the application, Staff of the Public Utility Commission of Texas (Commission Staff) filed a recommendation on December 15, 2021, that the application be found administratively incomplete. In Order No. 2 filed on December 29, 2021, the administrative law judge found the application insufficient and directed Conroe Resort to cure the deficiencies by January 14, 2022. Conroe Resort has not filed a response to Order No. 2 and therefore has not cured the deficiencies. The application remains insufficient as noted below:

- 1) The notice sent to customers does not include the affected Certificate of Convenience and Necessity number, and a list of affected subdivisions or water systems, including public water system numbers. Please amend the notice to include this information.
- 2) The application does not include a copy of the pages of Conroe Resort's most recently approved tariff that contain the rates that will change if the application is approved. Please submit a copy of this tariff.
- 3) The notice sent to customers did not include the following language: "This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code §24.25. The cost to you as a result of this change will not exceed the costs charged to your utility." Please include this language on the notice.
- 4) On the notice sent to customers, the present calculation of billings shows G, the approved per 1,000-gallon gallonage charge, as \$2.68. The May 27, 2021 letter from the Authority reflects that charge as \$2.73. Please explain the discrepancy and amend the notice sent to customers if necessary.
- 5) On the notice sent to customers, the new calculation of billings shows G, the approved per 1,000-gallon gallonage charge, as \$2.89. The May 27, 2021 letter from the Authority reflects that charge as \$2.88. Please explain the discrepancy and amend the notice sent to customers if necessary.

- 6) The line loss calculation sheet in the application shows an amount of \$0.16 as an increase. Please fully explain and justify that increased amount.

Staff recommends that the application remain insufficient and administratively incomplete at this time.

Staff further recommends that Conroe Resort submit the requested information so that further review of the application may continue for further processing.