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**DOCKET NO. 54121**

**APPLICATION OF SP UTILITY COMPANY, INC. FOR TEMPORARY RATES FOR A NONFUNCTIONING UTILITY**            §    **PUBLIC UTILITY COMMISSION**  
  §  
  §                                   **OF TEXAS**  
  §

**SUPPLEMENTAL RECOMMENDATION ON SUFFICIENCY OF NOTICE AND CLARIFICATION IN RESPONSE TO ORDER NO. 9 AND SUPPLEMENTAL MOTION TO ADMIT EVIDENCE**

**I. INTRODUCTION**

On September 15, 2022, Harrison Williams (Mr. Williams), owner of SP Utility Company, Inc. (SP Utility) and temporary manager of Villa Utilities, filed a request for a temporary rate increase pursuant to Texas Water Code (TWC) § 13.046 and 16 Texas Administrative Code (TAC) § 24.363 in Harris and Chambers Counties. On March 2, 2023, Mr. Williams filed proof of re-issued notice. On March 8, 2023, the Mr. Williams and Staff filed a joint motion to admit evidence and proposed order.

On March 23, 2023, the administrative law judge (ALJ) filed Order No. 9, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on the sufficiency of the re-issued notice, clarify the effect date for the rates, and make a recommendation on whether this case should be re-styled by April 3, 2023. Therefore, this pleading is timely filed.

**II. RECOMMENDATION ON SUFFICIENCY OF RE-ISSUED NOTICE**

Staff has reviewed the re-issued notice and recommends that it be found 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.” The notice was sent to customers on February 14, 2023, by first-class mail and states that the temporary rates will be applied with the next water bill which should be received by March 1, 2023. Therefore, Staff recommends that the re-issued notice is sufficient.

**III. RECOMMENDATION REGARDING THE EFFECTIVE DATE FOR THE RATES**

In Staff’s final recommendation filed on January 20, 2023, and in Staff’s clarification regarding its final recommendation filed on February 10, 2023, Staff recommended that two

different rates could be implemented, depending on whether Mr. Williams re-issued notice to customers. Staff recommended that if Staff re-issued notice, then Mr. Williams could use the rates in Table 2 of David Lopez's confidential memorandum attached to Staff's final recommendation. Mr. Williams filed proof of the re-issued notice on March 2, 2023. In accordance with Staff's recommendation that the re-issued notice be deemed sufficient, Staff recommends that the effective date for the rates be March 1, 2023.

#### **IV. RECOMMENDATION REGARDING THE STYLE OF THIS DOCKET**

For clarification purposes, Staff recommends that this case should be re-styled as the "*Application of Harrison Williams for Temporary Rates for a Nonfunctioning Utility.*"

#### **V. SUPPLEMENTAL MOTION TO ADMIT EVIDENCE**

Staff requests that this pleading be admitted into the evidentiary record of this proceeding.

#### **VI. CONCLUSION**

For the reasons discussed above, Staff recommends that the effective date for the rates be March 1, 2023. Staff also recommends that the re-issued notice be deemed sufficient and that this docket be restyled in accordance with the above recommendation. Staff further requests that this pleading be admitted into the evidentiary record. Staff respectfully requests the entry of an order consistent with this pleading.

Date: April 3, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Marisa Lopez Wagley  
Interim Division Director

John Harrison  
Managing Attorney

/s/ Margaux Fox  
Margaux Fox  
State Bar No. 24120829  
Ian Groetsch  
State Bar No. 24078599  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7021  
(512) 936-7268 (facsimile)  
Margaux.Fox@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 3, 2023 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Margaux Fox  
Margaux Fox