



## **Filing Receipt**

**Filing Date - 2023-05-16 04:35:28 PM**

**Control Number - 54153**

**Item Number - 21**

**DOCKET NO. 54153**

<b>APPLICATION OF OAK BEND</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>HOMEOWNERS WATER SUPPLY</b>	<b>§</b>	
<b>CORPORATION FOR AUTHORITY TO</b>	<b>§</b>	<b>OF TEXAS</b>
<b>CHANGE RATES</b>	<b>§</b>	

**COMMISSION STAFF’S FINAL RECOMMENDATION**

On September 27, 2022, Oak Bend Homeowners’ Water Supply Corporation (Oak Bend) filed an application for authority to change water rates under Texas Water Code (TWC) §§ 13.1871 and 13.18715. Oak Bend is a Class D water utility and holds water Certificate of Convenience and Necessity (CCN) No. 11633. Oak Bend filed supplemental information on November 29, 2022 and February 9, 2023.

On March 12, 2023, the administrative law judge (ALJ) filed Order No. 8 granting Staff’s request for extension and establishing a deadline of May 16, 2023 for the Staff (Staff) of the Public Utility Commission of Texas (Staff) to request a hearing or file a recommendation on final disposition. Therefore, this pleading is timely filed.

**I. FINAL RECOMMENDATION**

Staff has reviewed the application and supplemental information filed by Oak Bend and, as detailed in the attached memorandum from Sandra Hale of the Rate Regulation Division, recommend that the Commission approve the Application and find that the rate change complies with the requirements of Texas Water Code (TWC) §§ 13.182, 13.183, and 13.185 and 16 Texas Administrative Code (TAC) § 24.41.

As this is Oak Bend’s first increase application filed with the Commission, Staff believes the requested revenue requirement represents expenses permitted under 16 TAC § 24.41(b), that the amounts of the various expenses requested are reasonable, and that the expenses are necessary for the provision of water service. Joseph Cooper of the Infrastructure Division reviewed additional aspects of the expenses that Oak Bend requested and recommends no additional adjustments to operation and maintenance expenses as detailed in the attached memorandum.

Staff therefore recommends that the Commission approve Oak Bend's requested revenue requirement of \$23,932, as filed on September 27, 2022, approve the rates and the tariff, of which a copy will be provided to Oak Bend by Commission Staff.

## **II. CONCLUSION**

Staff respectfully requests the issuance of an order consistent with the foregoing recommendation.

Dated: May 16, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Marisa Lopez Wagley  
Interim Division Director

Sneha Patel  
Managing Attorney

/s/ Forrest Smith  
Forrest Smith  
State Bar No. 24093643  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7381  
(512) 936-7268 (facsimile)  
Forrest.Smith@puc.texas.gov

**DOCKET NO. 54153**

**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 May 16, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Forrest Smith  
Forrest Smith

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Forrest Smith, Attorney, Legal Division

**FROM:** Sandra Hale, Regulatory Accountant, Rate Regulation Division

**DATE:** May 16, 2023

**RE:** **Docket No. 54153** - *Application of Oak Bend Homeowners' Water Supply Corporation for Authority to Change Rates*

---

### **Background**

On September 27, 2022, Oak Bend Homeowners' Water Supply Corporation (Oak Bend), a Class D water utility with 29 owner families, filed a Class C Rate Change Application with the Public Utility Commission of Texas (Commission) for water utility service provided under Certificate of Convenience and Necessity (CCN) No. 11633

### **Staff Recommended Revenue Requirement**

After reviewing the Application and subsequent filings in this proceeding, I recommend that the Commission approve the Application, and find that the rate change complies with the requirements of Texas Water Code (TWC) §§ 13.182, 13.183, and 13.185 and 16 Texas Administrative Code (TAC) § 24.41 for the reasons discussed below.

This is Oak Bend's first rate increase application filed with the Commission. Oak Bend requested a total revenue requirement of \$23,952.<sup>1</sup> Oak Bend is not requesting an overall rate of return on its invested capital.<sup>2</sup> Furthermore, Oak Bend provides a total rate base of \$0 in its request.<sup>3</sup> The table below provides the composition of Oak Bend's request.

### **Oak Bend's Requested Revenue Requirement**

<b>Description</b>	<b>Revenue Requirement<sup>4</sup></b>
Operating Expenses	\$23,932
Depreciation	\$ 0
Taxes Other than Income Taxes	\$ 0
Federal Income Tax	\$ 0
Return on Rate Base	\$ 0
<b>Total Revenue Requirement</b>	<b>\$23,932</b>

---

<sup>1</sup> Application at Schedule I-1 Rev Requirement.

<sup>2</sup> *Id.* at Schedule III-1 Return.

<sup>3</sup> *Id.* at Schedule III-2 Rate Base Summary.

<sup>4</sup> *Id.* at Schedule I-1 Rev Requirement.

Based upon my review of the Application and subsequent filings in this proceeding, I believe that Oak Bend's requested revenue requirement represents expenses permitted under 16 TAC § 24.41(b), that the amounts of the various expenses requested are reasonable, and that the expenses are necessary for the provision of water service. Joseph Cooper of the Infrastructure Division reviewed additional aspects of the expenses that Oak Bend requested.

### **Staff Recommended Rate-Case Expenses**

Oak Bend does not seek recovery of rate case expenses.

### **Conclusion**

Based on my review, I recommend that the Commission:

1. Approve Oak Bend's requested revenue requirement of \$23,932, as filed on September 27, 2022.
2. Approve the rates and the tariff proposed by David Lopez of Commission Staff; and,
3. Provide a copy of the tariff to Oak Bend.

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Forrest Smith, Legal Division

**FROM:** Joseph Cooper, Infrastructure Division

**DATE:** May 16, 2023

**RE:** **Docket No. 54153** – *Application of Oak Bend Homeowners’ Water Supply Corporation for Authority to Change Rates*

---

On September 27, 2022, Oak Bend Homeowners’ Water Supply Corporation, a Class D water utility with 29 owner families, filed a Class C Rate Change Application for water utility service provided under Certificate of Convenience and Necessity (CCN) No. 11633. I have conducted a prudence review of the application, specifically operation and maintenance (O&M) expenses according to Texas Water Code (TWC) § 13.1871, § 13.1872(c)(2), and 16 Texas Administrative Code (TAC) §§ 24.25 through 24.33.

Based on a review of the O&M expenses, Staff recommends that the total O&M expenses of \$23,932<sup>1</sup> are reasonable.

---

<sup>1</sup> Application, Schedule II-3 (September 27, 2022).

# *Public Utility Commission of Texas*

## **Memorandum**

**TO:** Sneha Patel, Attorney  
Legal Division

**FROM:** David Lopez, Rate Analyst  
Rate Regulation Division

**DATE:** May 16, 2023

**RE:** Docket No. 54153 – *Application of Oak Bend Homeowners' Water Supply Corporation for Authority to Change Rates*

---

On September 27<sup>th</sup>, 2022, Oak Bend Water Homeowners' Water Supply Corporation (Oak Bend) filed an application for authority to change water rates under Texas Water Code (TWC) § § 13.1871 and 13.18715. Oak Bend is a Class D water utility and holds water Certificate of Convenience and Necessity (CCN) No. 11633. The applicant requested a volumetric charge of \$1.67 and the following minimum monthly rates:

*Table 1 - Requested Water Rates*

Meter size	Minimum Monthly Charge
5/8"	\$46.09
3/4"	\$69.135
1"	\$115.225
1.5"	\$230.45
2"	\$368.72

I have reviewed the application with respect to the billing units, cost allocation, rate calculations, and tariff. Based on my review and the recommendations of other staff, I recommend approval of the proposed rates.