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DOCKET NO. 54153

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

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND NOTICE AND PROPOSED PROCEDURAL SCHEDULE**

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.

On September 29, 2022, the administrative law judge (ALJ) filed Order No. 1, establishing a deadline of October 27, 2022 for the Staff (Staff) of the Public Utility Commission of Texas (Staff) to file comments on the administrative completeness of the application, proposed notice, and to propose a procedural schedule for the further processing of this docket. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS AND PROPOSED NOTICE

Staff has reviewed the application, and as detailed in the attached memorandum of Sandra Hale of the Rate Regulation Division, recommends that it be deemed administratively incomplete at this time. Specifically, Staff has identified the lack of a completed proposed notice of the rate increase to Oak Bend’s customers and a failure to provide all required documents to support the application. Staff recommends that Oak Bend be ordered to cure the deficiencies identified in the attached memorandum by November 11, 2022, and that Staff be given a deadline of November 29, 2022 to file a supplemental recommendation on the administrative completeness of the application and notice.

Pursuant to 16 Texas Administrative Code (TAC) § 24.33(b)(1), Staff requests suspension of the proposed effective date until an administratively complete application is submitted. In addition, Staff recommends that Oak Bend wait until the application is

administratively complete before sending a new Notice of Proposed Rate Change to customers¹ and that Oak Bend work with Staff on preparing a new notice to ensure that any additional notice sent to customers complies with the applicable statutes and Commission rules.

II. PROPOSED PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of this docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation regarding administrative completeness.

III. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively incomplete, and that Oak Bend be ordered to file supplemental information to resolve the identified deficiencies by November 11, 2022 and that Staff be given a deadline of November 29, 2022 to file a supplemental recommendation on the administrative completeness of the application and notice. Staff respectfully requests the entry of an order consistent with these recommendations.

¹ See *Application of Forest Glen Utility Company for Authority to Change Rates*, Docket No. 47897, Commissioner Memorandum (May 24, 2018) ("If the Commission rejects a utility's application as incomplete and suspends the proposed rates under TWC § 13.1871(e) and 16 TAC § 24.26(b)(1), the utility must file a properly completed application and provide an updated statement of intent with a new proposed effective date. In fact, under 16 TAC § 24.26(c), the utility is prohibited from notifying its customers of a new effective date until the Commission has provided written notification that all deficiencies have been corrected."). The Commission rule referenced in this memorandum was subsequently renumbered as 16 TAC § 24.33. *Rulemaking to Amend Chapter 23 for the Sole Purpose of Renumbering Certain Sections, Renaming and Relettering Certain Subchapters, and Adding a New Subchapter*, Project No. 48526, Order Adopting the Repeal of Part of Subchapter A §§ 24.3, 24.8, 24.11, 24.14, All of Subchapter B, Subchapter C §§ 24.41-24.44, All of Subchapters D Through K, and New §§ 24.3, 24.8, 24.11, 24.14 and New Subchapters B Through L as Approved at the September 27, 2018 Open Meeting (Sep. 27, 2018).

Dated: October 27, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Forrest Smith
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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 October 27, 2022, 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, Financial Analyst
Rate Regulation Division

DATE: October 27, 2022

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 (Oak Bend), a Class D water utility, filed a Class C Rate Change Application for service provided under Certificate of Convenience and Necessity (CCN) No. «CCN_No.». I have conducted an administrative review of the application and notice according to Texas Water Code (TWC) § 13.1871 and 16 Texas Administrative Code (TAC) §§ 24.25 through 24.33.

Based on a review of the initial application filed on September 27, 2022, I determined that the application is insufficient. To be sufficient and administratively complete, I recommend that Oak Bend respond to the following:

1. I recommend that Oak Bend provide:
 - a. The Class B and C “Notice of Proposed Rate Change to Be Provided to Ratepayers” as well as the “Affidavit of Notice” which can be accessed at the PUC website at <https://www.puc.texas.gov/industry/water/Forms/Forms.aspx>;
 - b. A copy of its most recently approved tariff;
 - c. A signed and notarized “Verification of Accuracy” form as found in the Class C Rate/Tariff Change Schedules;
 - d. Its customer complaint policy and records;
 - e. Its Federal forms 1096 and 1099 supporting any contract labor requested in the cost of service or capitalized (Oak Bend should file the forms confidentially to protect sensitive information).

2. I also recommend that Oak Bend provide the following:
 - a. Copies of invoices from the Texas Commission on Environmental Quality for the one percent Regulatory Assessment Fees paid by Oak Bend for the year 2021 and prior three years;
 - b. Oak Bend’s Class D Annual Report using the relevant project number 52954 for 2021

I recommend that the Commission require Oak Bend to provide all of the missing attachments and incomplete information identified above for review. In addition, I recommend the suspension of the effective date of the proposed rates as allowed by TWC § 13.1871(e) and 16 TAC § 24.33(b)(1). Further, I recommend that Oak Bend provide the proposed notice to the Commission for Staff's review before it is distributed to all affected customers.