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Public Utility Commission of Texas

Docket No. 54617

SOAH Docket No. 473-24-13127

Central Records

9 May 2024

P.O. Box 13326

Austin, TX 78711-3326

Subject: Intervenor Direct Testimony

TO WHOM IT MAY CONCERN

In accordance with the SOAH Order No.3, I am submitting the Intervenor Direct Testimony.

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Anna M. Miller. My address is 21603 CR 37491, Cleveland, TX 77327.

Q. FOR WHOM DO YOU WORK AND IN WHAT CAPACITY?

A. I am a US Army retiree and Disabled Veteran.

Q. BRIEFLY DESCRIBE YOUR PRESENT EMPLOYMENT.

A. I am retired.

Q. BRIEFLY DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I have 2 years of college and 21 years of honorable US Army service. I have no legal process knowledge.

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS (COMMISSION)?

A. No. I have not.

II. PURPOSE OF DIRECT TESTIMONY

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of myself and with all customers, of our subdivisions, in my mind.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my direct testimony in this proceeding is to intervene in the imposed TWU initial tariff rate and question the procedure and approval process on initial tariff rates during a Sale, Transfer, Merger (STM) by an Investor Owned Utility (IOU). Questioning the perceived automatic entitlement view ("TWU is justly entitled") by Texas Water Utilities, L.P.s (TWU) to impose such tariff plus the high gain of revenue. Additionally, to question the procedure for a "Just and Reasonable" tariff rate that will be in the "public interest".

Q. WAS THIS TESTIMONY PREPARED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes, it is.

Q. INsofar AS THIS TESTIMONY IS FACTUAL IN NATURE, DO YOU BELIEVE IT TO BE CORRECT?

A. Yes, I do.

Q. INsofar AS THIS TESTIMONY IS IN THE NATURE OF OPINION OR JUDGMENT, DOES IT REPRESENT YOUR BEST JUDGMENT?

A. Yes, it does.

Q. ARE YOU SPONSORING ANY ATTACHMENTS?

A. No.

III. OVERVIEW OF THE INTERVENTION

Q. WHAT PROPELLED YOU TO INTERVENE?

A. The initial tariff rate that TWU proposes to inflect on us, the customer. This new tariff rate is a "rate shock" to all the customers within our subdivisions. As stated, through out my filings, the customers in our subdivisions are not very affluent and are struggling to make ends meet. We live in Liberty County and not in Montgomery County (only 16 lots) for a reason which is affordability. Our subdivisions primarily consist of mobile homes and not big Estate mansions with in ground pools and landscape irrigations. We should not be forced onto a tariff rate that does not reflect our living capability.

Q. WHAT CHALLENGES HAVE YOU EXPERIENCED WITH IN THIS PROCESS AS AN INTERVENOR?

A. 1. As a private citizen, without legal knowledge, this process is very intimidating. The extensive research and time, that is required, to keep up with this process eliminated many possible intervenors.

2. Having to stand against the persistent push, by TWU, to pressure and impose their initial tariff. At the start, being informed that the customer has no right to challenge the new initial tariff (TWU filings). Research every law on "Just and Reasonable" and "Public Interest" as well as tariff laws and HB's. The grueling task of reading all TAC/TWC on the function and the ruling responsibility of the PUC/OPUC to insure the protection of the customer.

3. The disregard of the future customers to be heard and acknowledged in their struggles (financially) is in contradiction to the motto/claim of the Direct Testimony of Brian D. Bahr page 16 "TWU invests in people and systems and uses a centralized customer care department that prioritizes high-quality customer service", "excellent customer service". All for the customer?

4. The pursue from TWU to find ways to eliminate the intervenors that do not have the legal knowledge and have great difficulties to keep up with this process. Intimidating.

5. The struggle against TWU, the second largest investor-owned (IOU) water and wastewater utility in Texas, with a view of us as "small relative to them" and their endless resources. Leaving me to question as to where is the Free Market and competition to help control rates. Monopoly.

6. The intimidating appearance of a conflict of interest between TWU and PUC (reference Direct Testimony of Brian D. Bahr page 3 "I am a member of the National Association of Water Companies (participating on both its Regulatory & Legislative Committee as well as its Affordability Project Group) and the Texas Association of Water Companies (participating on its Public Utility Commission of Texas Committee). Page 15 "TWU itself is the second largest investor owned water and wastewater utility in Texas, has been serving customers here for many years, and is well known to both the Commission and the TCEQ" and page 23 "To the contrary, the Commission has found it appropriate on more than one occasion to appoint TWU as the temporary manager of a non-functioning utility". Influence on Regulatory & Legislative issues by TWU. Who is working for whom?

7. Having to question the Sale, Transfer, Merger (STM) process. PUCT Sale, Transfer, Merger form page 7, item 15 A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charges to the customers through this STM application. Rates can only be changed through the approval of a rate change application.) TWU: "Consistent with TWC 13.3011, TWU proposes to charge customers transferred from SHDI the rates in TWU's approved tariffs." B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. TWU: "TWU anticipates filings a request for a System Improvement Charge and true-ups for purchased water pass-throughs, but does not anticipate filing a general rate case within the next 12 months. TWU's anticipated filings are not a result of the transaction proposed in this application."

IV. INITIAL RATES

Q. WHAT ARE THE INITIAL RATES TEXAS WATER UTILITIES, COMPARED TO SOUTHERN HORIZONS DEVELOPMENT, INC., IS REQUESTING TO CHARGE THE CUSTOMERS TO BE ACQUIRED FROM SOUTHERN HORIZONS AND IS IT JUST AND REASONABLE?

	TWU	SHDI
Minimum Monthly Charge		
5/8" Meter	\$48.37	\$32.20
		(includes 2,000 gallons)
Gallonage Rates (per 1,000 gallons)		
0-2,000 gallons	\$6.48	\$0
2,00-10,000 gallons	\$7.98	\$3.18
		(2,000 gallons or more)
10,001-20,000 gallons	\$9.05	\$0
20,001 gallons or more	\$9.64	\$0
Average 4,686 gallons	\$82.76	\$40.74
(per SHDI Testimony)		

A difference of \$42.02 per months.

A financial burden to the customer. "Just and Reasonable" rate and "public interest"? TWU is an IOU and may not change the rates (PUCT Sale, Transfer, Merger page 7, 15. A.B.). Even on Docket No. 50944 TWU offered that rates be phased-in using a multi-year approach to mitigate "rate shock".

Q. HOW MUCH ADDITIONAL REVENUE WILL TEXAS WATER UTILITIES RECEIVE ANNUALLY COMPARED TO SHDI IF THE REQUESTED INITIAL RATES ARE APPROVED?

2,000 gallons:	TWU \$339,277.56	SHDI approx. \$178,130.40
3,000 gallons:	TWU \$383,422.92	SHDI approx. \$195,722.16
5,000 gallons:	TWU \$471,713.64	SHDI approx. \$230,905.68

DIVERENCE OF (REVENUE):

2,000 gallons:	\$161,147.16	3,000 gallons:	\$187,700.76
5,000 gallons:	\$240,807.95		

My objection is as to how much revenue is too much? SHDI president Mr. Sullivan's testimony verifies that SHDI is fully functioning and did receive revenue. Docket No. 51017 granted SHDI the first 5% rate adjustment in 2020 "This application represents the Applicant's first Class D rate adjustment request. Therefore, the Applicant may file three more rate adjustments in accordance with TWC 13.1872(f)." SHDI never followed thru with the additional three more rate adjustments. Revenue needed or not?

What makes TWU so different to render this unreasonable amount of revenue and for what?

Q. DO H.B.1484 AND OTHER TWC/TAC LAWS SUPPORT MY OBJECTION.

A. Yes.

H.B. 1484 Bill Analysis Author's/Sponsor's Statement of Intent. This will better enable the acquiring utility to more quickly upgrade, improve, and modernize the seller utility system and encourage the consolidation of substandard water and wastewater utilities. SHDI is not substandard.

TWC 13.3011 INITIAL RATES FOR CERTAIN WATER OR SEWER SYSTEMS AFTER PURCHASE OR ACQUISITION. (a) "water or sewer system may request" (substandard). (b) Therefore, does not apply. The regulatory authority with original jurisdiction over the rates is the PUC not TWU.

TWC 13,301 (e)(5) "there are concerns that the transaction may not serve the public interest".

TWC 13.181 (b) "For this purpose the regulatory authority may fix and regulate rates of utilities, including rules and regulations for determining the classification of customers and services and for determining the applicability of rates."

TWC 13.182 JUST AND REASONABLE RATES. (a) The regulatory authority shall ensure that every rate made, demanded, or received by any utility or by any two or more utilities jointly shall be just and reasonable. TWU is a large IOU Class A with large expenses. SHDI is a Class D. Customers should not be forced to carry that burden.

TWC 13.183 FIXING OVERALL REVENUES. No improvements are currently required. Affordable, reliable service, and quality are currently in place. Reasonable revenue?

TWC 13.305 (h) (5) if applicable, a tariff containing a rate equal to the existing rates of the selling utility at the time of the acquisition. (j) A tariff submitted under Subsection (h) (5) shall remain in effect until the utility commission approves new rates as part of a rate base case proceeding.

I can go on with quoting numerous TWC's or TAC's where I do not see eye to eye with TWU's interpretations. JUST AND RESONABLE.

V. PUBLIC INTEREST

TWC 13.301. REPORT OF SALE, MERGER, ETC.; INVESTIGATION; DISALLOWANCE OF TRANSACTION.

Is full of serve the public interest.

I can go on with quoting numerous TWC's or TAC's where I do not see eye to eye with TWU's interpretations. PUBLIC INTEREST.

Q. WHAT IS YOUR CONCERN IF THIS STM WILL BE APPROVED.

A. That this Docket will set the precedent in future acquisitions (STM). Unaffordable water cost inflating the basic needs. Large Utilities taking over all the small utilities creating a monopoly. Large influence on the rate procedures with nothing but "rate shock" to all customers. Not serving the public interest with just and reasonable rates.

VI. CONCLUSION

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.