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DOCKET NO. 54683

APPLICATION OF § PUBLIC UTILITY COMMISSION
ENVIRO-MANAGEMENT FOR §
AUTHORITY TO CHANGE RATES § OF TEXAS

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

I. INTRODUCTION

On February 24, 2023, Enviro-Management filed an application for authority to change water rates under Texas Water Code §§ 13.1871 and 13.1872(c)(2). Enviro-Management is a Class D water utility with 110 active connections and holds Certificate of Convenience and Necessity No. 12625.

On February 27, 2023, the administrative law judge filed Order No. 1, directing the Staff (Staff) of the Public Utility Commission of Texas to file comments on the administrative completeness of the application and proposed notice and propose a procedural schedule, if appropriate, by March 27, 2023. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and as detailed in the attached memorandum from James Onyeneke of the Rate Regulation Division, recommends that it be deemed administratively incomplete at this time. Staff recommends that Enviro-Management be ordered to cure the deficiencies identified in the attached memorandum by April 28, 2023, and that Staff be given a deadline of May 12, 2023, to file a supplemental recommendation on the administrative completeness of the application and notice.

III. 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.

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively incomplete, that Enviro-Management be ordered to file supplemental information to cure the deficiencies in the application by April 28, 2023, and that Staff be given a deadline of

May 12, 2023, to file a supplemental recommendation on the administrative completeness of the application. Staff respectfully requests the entry of an order consistent with these recommendations.

Date: March 27, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
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/s/ Ian Groetsch
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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 March 27, 2023 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Ian Groetsch
Ian Groetsch

Public Utility Commission of Texas

Memorandum

TO: Groetsch, Ian, Attorney
Legal Division

FROM: Onyeneke, James, Regulatory Accountant
Rate Regulation Division

DATE: March 27, 2023

SUBJECT: **Docket No. 54683** - *Application of Enviro-Management for Authority to Change Rates*

On February 24, 2023, Enviro-Management, a Class D water utility with 110 average active connections, filed a Class C Rate Change Application for service provided under Water Certificate of Convenience and Necessity (CCN) No. 12625. 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 February 24, 2023, I determined that the application is not administratively complete, and the notice is insufficient. To be sufficient and administratively complete, I recommend that Enviro-Management provide the following.

1. Enviro-Management must provide proof of its active registration reflecting its correct legal name as filed with Texas Secretary of State.
2. Enviro-Management must provide a copy of its Income Statement for the Historical Test Year.
3. Enviro-Management must confirm that it is removing its pass-through charge as part of this rate case. If not, Enviro-Management must provide its proposed pass-through rate and formula.
4. I recommend that Enviro-Management re-notice for incorrect billing comparisons, as shown below. The notice submitted in the application fails to inform the ratepayers of the true amount of the requested rate increase and potential impacts to the customer bill. Further, the notice must reflect the correct name of the utility as described in No. 1 above.

**Billing Comparison
Water**

Existing 5,000 Gallons	\$51.81	Proposed 5,000 Gallons	\$78.23
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Existing 10,000 Gallons	\$68.41	Proposed 10,000 Gallons	\$109.48
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5. Enviro-Management must correct its notice of the proposed rate change to correctly reflect the Proposed Minimum Monthly Charge for the Residential 5/8" meter. Currently, the notice indicates a charge of \$59.48. As shown in Schedule VII-2,

the correct Proposed Minimum Monthly Charge for the Residential 5/2” meter is \$53.23.

6. If Enviro-Management is not removing its pass-through charge as part of this rate case, it must correct its notice to reflect the correct water pass through charges for 5,000 gallons and 10,000 gallons.
7. Enviro-Management must submit a corrected notice of the proposed rate change to all affected customers and the Office of Public Utility Counsel at least 35 days before the effective date of the rate change. The effective date of the new rates must be the first day of a billing period, and the new rates may not apply to service received before the effective date of the new rates. Please note that the notice should be completely filled-out before sending to the customers. Enviro-Management should provide a copy of the corrected notice to Staff for its review before sending to its customers.
8. I also recommend the suspension of the effective date for all proposed rates as allowed by TWC § 13.1871(e) and 16 TAC § 24.33(b)(1).