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DOCKET NO. 54683

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

COMMISSION STAFF'S CLARIFICATION

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 May 31, 2023, the administrative law judge (ALJ) filed Order No. 4, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to clarify the discrepancy the ALJ identified in Order No 3 and to provide a new supplemental recommendation on notice, if appropriate, by June 2, 2023. Therefore, this pleading is timely filed.

II. CLARIFICATION

As explained in the attached memorandum from James Onyeneke of the Commission's Rate Regulation Division, Mr. Onyeneke reviewed Enviro-Management's April 11, 2023 confidential response to his recommendation and recommends that notice is sufficient. Mr. Onyeneke further recommends that Enviro-Management be ordered to refile its Notice of Proposed Rate Change as a public document.

III. CONCLUSION

Staff respectfully requests that Enviro-Management's notice be deemed sufficient and that Enviro-Management be ordered to refile its Notice of Proposed Rate Change as a public document.

Date: May 31, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Interim Division Director

John Harrison
Managing Attorney

/s/ Ian Groetsch
Ian Groetsch
State Bar No. 24078599
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7465
(512) 936-7268 (facsimile)
Ian.Groetsch@puc.texas.gov

DOCKET NO. 54683

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 31, 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: Ian Groetsch, Attorney
Legal Division

FROM: James Onyeneke, Regulatory Accountant
Rate Regulation Division

DATE: June 2, 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 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. This memorandum represents my response to the administrative law judge's (ALJ) Order No. 3 Requiring Clarification.

Based upon my initial review, I recommended a change to the notice to customers. On April 11, 2023, Enviro-Management submitted its confidential response to my recommendation. After reviewing Enviro-Management's response and its revised notice, I recommend that the notice is sufficient for the following reasons.

1. Enviro-Management amended its notice to correct the Proposed Minimum Monthly Charge from \$59.48 to \$53.23.
2. The revised notice removes the inclusion of 1,000 gallons in the minimum monthly charge and now reflects the inclusion of zero gallons in the proposed charge. The notice provided in Enviro-Management's March 10, 2023 supplements indicated that the minimum monthly charge includes 1,000 gallons.
Given that the proposed minimum monthly charge is \$53.23 and the proposed gallonage charge is \$6.25 per 1,000 gallons, Enviro-Management correctly calculated \$84.48 as the proposed billing for 5,000 gallons. Additionally, Enviro-Management correctly calculated \$115.73 as the proposed billing for 10,000 gallons. Therefore, with the removal of 1,000 gallons from inclusion in the minimum monthly charge, Enviro-Management's billing comparison within its notice is correct.
3. The revised notice provides Enviro-Management's Proposed Pass-Through Charges of \$0.50 per month for 5,000 gallons and \$1.00 per month for 10,000 gallons.
4. The revised notice provides Enviro-Management's Water-Pass Through Annual Revenue Increase as \$206.94.

Enviro-Management verified and confirmed the change in the amount of usage included in the monthly minimum charge as explained at page 4 of 14 of its Supplemental Response to Order No.

2. Also, Enviro-Management updated its notice information to correctly identify its pass-through charges. Based on my review of Enviro-Management's April 11, 2023, response to the ALJ's Order No. 2, I recommend that the ALJ find the proposed notice sufficient.

I recommend that Enviro-Management resubmit its Notice of Proposed Rate Change as a public document. I also recommend that the effective date for the proposed rates remain suspended through the pendency of this case as allowed by TWC §13.1871(g) and TAC §24.33(a)(2), or until an interim rate is requested and approved.