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PUC DOCKET NO. 55942

PETITION BY RATEPAYERS	ş	PUBLIC UTILITY COMMISION
APPEALING THE WATER AND	§	
WASTEWATER RATES	§	OF TEXAS
ESTABLISHED BY THE CITY OF	§	
ROCKPORT	ş	

RESPONSE TO COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF THE CITY OF ROCKPORT'S REFUNDS

1. The petitioners take issue with the Commission Staff's recommendation "the City be required to provide a random sample of refund proof for each meter size from September 15, 2023 to December 15, 2023 by January 6, 2025" for two specific reasons:

a. <u>The required sample size was not specified</u>. An ideal sample size should consider the desired level of precision, desired confidence level, and the number of accounts being analyzed. The City's "2024 Water and Wastewater Rate Study" stated the "outside city water customers represent 43% of the total system with 4,488 accounts." Using a commonly accepted sample size formula (Cochran, W. G. (1977). Sampling techniques (3rd ed.). New York: John Wiley & Sons.) results in 354 samples needed for a 95% confidence level with a 5% margin of error, and 67 samples for a 90% confidence level with a 10% margin of error.

b. <u>How will selection bias be controlled</u>? If the City gets to determine which accounts to provide to Commission Staff as samples of refund proof, the City can easily skip examples where the refunds were incorrectly calculated.

2. To address the concerns noted above, the Petitioners recommend the City be required to provide refund proof for the accounts listed in Attachment 1 to this filing. This list includes 67 accounts spread across the spectrum of refund amounts, as well as the account that was pointed out as having issues in our August 5, 2024, filing. If this random sample does not include samples for each meter size as requested by Commission Staff, the City should add more accounts to the Attachment 1 list.

3. For clarity, the petitioners do not need an explanation for the refund issues identified in para. 2 of our August 5th analysis as those issues were resolved in the City's subsequent filing (see paragraph 4.g of our last filing).

4. In addition to the Commission Staff's recommendations, the Petitioners still ask for clarity on the overall amount refunded as we believe the City has consistently overstated the amount they refunded as detailed in paragraph 4.e of our October 18, 2024, filing.

5. The petitioners are disappointed to learn the Commission lacks jurisdiction to hold the City accountable for their inaction and blatant contempt, though we do understand the PUC must work within the constraints of state law. It would appear the lesson to be learned from this process is a city can provide wrong answers, provide incomplete answers and outright not answer the PUC's requests until such point in time the parties acquiesce and accept a less than complete accounting.

SUMMARY

The Petitioners respectively request the Commission Staff's recommendation "that the City be required to provide a random sample of refund proof for each meter size" be modified to include a minimum sample size of 67 accounts and specifically for the accounts listed in Attachment 1 of this filing, and for the City to address the disconnect in the overall amount refunded as detailed in paragraph 4.e of our October 18, 2024, filing.

December 5, 2024

Respectfully submitted,

/s/ Patrick R. Kane Petitioner pat.kane@kane.net

Account No. Account No. # # # Account No. 1 DF-4610-06 24 JK-0600-01 46 MF-0770-00 2 DL-3933-00 25 JK-1375-02 47 MF-1200-03 3 DP-1467-01 26 JK-2230-01 48 MP-0650-03 4 DP-1856-04 27 JK-2250-02 MP-1165-02 49 5 DP-2090-03 28 JK-2500-01 50 MU-1950-07 6 DP-2363-00 29 JK-3500-00 51 NA-1225-00 7 DP-3011-01 30 JK-3525-01 52 NA-2150-05 8 DQ-0040-01 31 JK-3610-02 53 NF-0150-02 9 DQ-0180-02 JK-3700-02 32 54 NK-2350-00 10 DQ-0480-01 33 JL-0665-01 55 NL-0740-05 11 DQ-0525-01 34 JP-0250-04 56 NL-0770-08 12 DQ-0620-01 35 JP-0300-00 57 NL-4085-01 13 DQ-0685-01 36 JP-0346-00 58 NP-2700-06 14 DQ-0748-00 37 JP-0400-00 59 NQ-1245-00 15 DR-2700-04 38 JP-1300-00 60 NQ-2250-00 16 DR-3400-04 39 KF-2200-00 61 OK-2025-01 17 DS-0260-01 40 KP-2355-01 62 OU-0900-04 18 DV-1850-00 41 LA-1599-02 63 OU-2930-01 19 GR-0080-00 42 LF-1825-00 OU-3120-00 64 20 GU-1065-04 43 LF-1860-00 65 OU-3140-00 21 JF-2750-05 LK-0220-00 PP-0639-00 44 66 22 JK-0350-02 45 MA-0087-02 67 PP-1173-00

Attachment 1. Random Sample of Out-of-City Accounts

23 JK-0490-03