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DOCKET NO. 55942

RATEPAYERS APPEAL OF THE	§	PUBLIC UTILITY COMMISSION
WATER AND WASTEWATER RATES	§	
ESTABLISHED BY THE CITY OF	§	OF TEXAS
ROCKPORT	§	
	§	

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON THE
SUFFICIENCY OF THE CITY OF ROCKPORT'S REFUNDS**

On December 4, 2023, certain ratepayers (Petitioners) outside of the City of Rockport (Rockport) filed a petition appealing the City's water and wastewater rates under Texas Water Code § 13.043(b)(3) and 16 Texas Administrative Code § 24.101(c)(3).

On June 9, 2025, the administrative law judge filed Order No. 18, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation on the sufficiency of Rockport's proof of complete and correct refunds by June 18, 2025. Therefore, this pleading is timely filed.

I. RECOMMENDATION ON SUFFICIENCY OF ROCKPORT'S REFUNDS

Staff has reviewed Rockport's proof of refunds, as supplemented, and, as detailed in the attached memorandum from Kathryn Eiland of the Rate Regulation Division, recommends that Rockport's proof, as supplemented, is sufficient to demonstrate that Rockport substantially provided complete and correct refunds to the affected customers.

II. CONCLUSION

For the reasons detailed above, Staff respectfully requests the entry of an order finding that Rockport's proof of refunds, as supplemented, is sufficient.

Dated: June 18, 2025

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on June 18, 2025, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Rowan Pruitt
Rowan Pruitt

Public Utility Commission of Texas

Memorandum

TO: Rowan Pruitt, Attorney
Legal Division

FROM: Kathryn Eiland, Regulatory Accountant
Rate Regulation Division

DATE: June 18, 2025

SUBJECT: Docket No. 55942 – *Ratepayers Appeal of the Water and Wastewater Rates Established by the City of Rockport*

On December 4, 2023, certain ratepayers (Petitioners) of the City of Rockport (Rockport) filed a petition under Texas Water Code § 13.043(b) to appeal water and wastewater rates approved by Rockport. These rates took effect on September 15, 2023.

Rockport filed a response to Order No. 1 on December 29, 2023, stating that the adopted water and wastewater rates were repealed as of December 13, 2023 due to a printing error in the vendor's notice.¹ Rockport engaged its billing partner to locate, calculate, and credit the appropriate refunds to ensure that the affected ratepayers received the refunds they were due.² The vendor completed its investigation and refunded the affected ratepayers.³ Rockport refunded the affected ratepayers \$103,873.85 for water service and \$23,576.54 for wastewater service.⁴

On February 21, 2024, the administrative law judge (ALJ) filed Order No. 4, requiring Rockport to file documentation demonstrating the amount that was over collected and proof of issuance of refunds. In response to Order No. 4, Rockport only restated the amount that it over collected and a declaration that it provided the total refunds to affected ratepayers.⁵ In my April 15, 2024 recommendation on sufficiency of Rockport's response to Order No. 4, I recommended that Rockport provide the number of affected customers and the calculation for the refund per customer in native format to confirm that all monies over collected were fully refunded.⁶

¹ Response to Order No. 1 and Motion to Dismiss at 4 (Dec. 29, 2023).

² City's Response to Order No. 3 and Renewed Motion to Dismiss at 2 (Feb. 15, 2024).

³ *Id.*

⁴ *Id.*

⁵ Response of Rockport Pursuant to Order No. 4 (Mar. 5, 2024).

⁶ Commission Staff's Recommendation on Sufficiency of the City of Rockport's Refunds at attached memorandum (Apr. 15, 2024).

On July 26, 2024, Rockport provided a spreadsheet that showed the original and rebilled amounts for customer bills issued in October, November, and December 2023.⁷ The sheet tab labeled *OCL and FCL adjustments* included over 62,000 lines of data for the out-of-city limit customers.⁸ This data also showed that the Account Credit Calculation in Column K of \$135,596.41⁹ exceeded the total refund amount previously asserted by Rockport. I was unable to conclude that Rockport properly calculated ratepayer refunds.¹⁰ On October 15, 2024, February 19, 2025, and March 27, 2025, Rockport provided supplemental information to support that proper refunds had been issued. On April 25, 2025, Rockport conducted a technical conference to clarify how it calculated the refunds. Rockport assessed numerous accounts of out-of-city limits customers and demonstrated its calculation of the refund amount based on the meter sizes and gallons the different customers used. On May 28, 2025, Rockport responded to Staff's first request for information to further support how proper refunds had been issued and address certain errors identified by the Petitioners.¹¹ On June 3, 2025, the Petitioners accepted Rockport's statement that ratepayers were refunded correctly despite incorrectly listed meter sizes in the reporting and billings to out-of-city ratepayers at the lower in-city rate where no refund was due.¹²

Based on my review of the information provided by Rockport, I find that Rockport's proof of refunds, as supplemented, is sufficient to demonstrate that Rockport substantially provided complete and correct refunds to the affected customers.

⁷ City of Rockport Submission of Proof of Refunds and Re-urged Motion to Dismiss at Exhibit A, Tab "OCL and FCL Adjustments" (Jul. 26, 2024).

⁸ *Id.*

⁹ *Id.*

¹⁰ Commission Staff's Recommendation on Sufficiency of the City of Rockport's Refunds at attached memorandum (Aug. 15, 2024).

¹¹ City of Rockport's Response to Commission Staff's First Request for Information (May 28, 2025).

¹² Response to "City of Rockport to Commission Staff's First Request for Information" (Jun. 3, 2025).