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Filing Date - 2024-12-06 10:39:18 AM

Control Number - 56479

Item Number - 26

DOCKET NO. 56479

APPLICATION OF HORSESHOE BEND	§	PUBLIC UTILITY COMMISSION
WATER COMPANY FOR GOOD	§	
CAUSE EXCEPTION TO EXTEND THE	§	OF TEXAS
TIME TO FILE ITS RATE	§	
APPLICATION IN ACCORDANCE	§	
WITH THE NOTICE OF APPROVAL IN	§	
DOCKET NO. 50085	§	

**JOINT EXCEPTIONS
TO THE PROPOSAL FOR DECISION**

Horseshoe Bend Water Company (Horseshoe Bend) and Staff of the Public Utility Commission of Texas (Commission) (collectively, the parties) file these Exceptions to the Proposal for Decision (PFD).¹ These exceptions are timely filed on or before December 6, 2024.²

I. INTRODUCTION

On April 12, 2024, Horseshoe Bend filed an application for a good-cause exception to extend the time to file its rate-change application as ordered in Docket No. 50085, to April 1, 2025. The notice of approval in Docket No. 50085 included Ordering Paragraph No. 9, which ordered Horseshoe Bend to file a comprehensive base-rate proceeding within 18 months of the notice of approval. On November 7, 2024, the Commission administrative law judge issued a PFD based on Horseshoe Bend's request for a good-cause exception. The parties' joint exception to Ordering Paragraph No. 2 of the PFD is found below.

¹ State Office of Administrative Hearings (SOAH) Proposal for Decision with Memorandum (Nov. 7, 2024). Horseshoe Bend does not abandon its request for good cause exception to Ordering Paragraph No. 9 in the Notice of Approval issued in Docket No. 50085, and it is not in agreement with Findings of Fact Nos. 21 and 22 of the Proposal for Decision. However, in the interest of efficiency, Horseshoe Bend submits its exceptions jointly with Commission Staff to only Ordering Paragraph No. 2.

² Exceptions and Replies Memorandum (Nov. 15, 2024).

II. EXCEPTIONS TO PROPOSAL FOR DECISION

The parties except to Ordering Paragraph No. 2, which states that “Horseshoe Bend must file a rate change application with 90 days of this Order based on a historic test year covering a period within 18 months of November 29, 2022.”

Under 16 Texas Administrative Code (TAC) § 24.3(36), a test year is defined as “[t]he most recent 12-month period beginning on the first day of a calendar-or-fiscal-year quarter for which operating data for a retail public utility are available.” If Horseshoe Bend were to file a rate change application that complied with Ordering Paragraph No. 2 the test year of that rate change application would be stale and would not meet the requirements of 16 TAC § 24.3(36). In fact, the test year that would meet the requirements of Ordering Paragraph No. 2 would end at the latest on May 4, 2024. Since this proceeding is set for an open meeting on January 16, 2025, by the time Horseshoe Bend filed its rate change application this test year would almost be an entire year old. Not only would this delay recovery of capital investments for Horseshoe Bend, but it would harm customers of Horseshoe Bend that would only face a greater increase with Horseshoe Bend’s next rate filing.

Instead, the parties propose the following Ordering Paragraph No. 2: “Horseshoe Bend must file a rate change application within 90 days of the date of the filing of this Order based on a test year that meets the requirements of 16 TAC § 24.3(36).”

III. CONCLUSION

For the reasons discussed herein, the parties respectfully request revision to the PFD consistent with the foregoing exception to Ordering Paragraph No. 2.

Respectfully submitted,

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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 December 6, 2024, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ William A. Faulk, III

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