



Filing Receipt

Filing Date - 2024-12-19 09:02:18 AM

Control Number - 56479

Item Number - 27

Thomas J. Gleeson
Chairman

Lori Cobos
Commissioner

Jimmy Glotfelty
Commissioner

Kathleen Jackson
Commissioner

Courtney K. Hjaltman
Commissioner



Greg Abbott
Governor

Connie Corona
Executive Director

Public Utility Commission of Texas

TO: Shelah Cisneros
Commission Counsel

All Parties of Record

FROM: Rebecca Bromley-Williams
Administrative Law Judge

A handwritten signature in black ink, appearing to read "Rebecca Bromley-Williams".

RE: **Docket No. 56479** – *Application of Horseshoe Bend Water Company for Good Cause Exception to Extend the Time to File Its Rate Application in Accordance with the Notice of Approval in Docket No. 50085*

DATE: December 19, 2024

On November 7, 2024, I filed a Proposal for Decision (PFD) in the above-styled and numbered docket. The Commission is scheduled to consider the PFD at an open meeting on Thursday, January 16, 2025. The deadline to file exceptions to the PFD was December 6, 2024 and the deadline to file replies to the exceptions was December 16, 2024.

In Docket No. 50085,¹ the Commission ordered Horseshoe Bend to file a comprehensive base-rate proceeding within 18 months of the date of the Notice of Approval. The Notice of Approval in Docket No. 50085 was filed on November 29, 2022. Ordering Paragraph 9 specified that Horseshoe Bend was obligated to file a comprehensive base-rate proceeding within 18 months (i.e., by May 29, 2024).

Horseshoe Bend did not file a comprehensive base-rate proceeding by May 29, 2024. Instead, on April 12, 2024, Horseshoe Bend filed the application at issue in this proceeding, in which it seeks a good-cause exception allowing it to extend its deadline to file a comprehensive base-rate application to April 1, 2025 to allow for a more complete test year after implementing well improvements and installing 100 meters in June of 2024.

The PFD recommends denying Horseshoe Bend's request for a good-cause exception to its May 29, 2024 deadline. Proposed Ordering Paragraph 2 directs Horseshoe Bend to file a rate

¹ *Application of Castle Water, Inc. dba Horseshoe Bend Water System and Horseshoe Bend Water Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County*, Docket No. 50085, Notice of Approval (Nov. 29, 2022).



change application within 90 days, “based on a historic test year covering a period within 18 months from November 29, 2022.”.

On December 6, 2024, Horseshoe Bend Water Company and Commission Staff jointly filed an exception to the PFD. No replies to the exception were filed. The parties object to the language in Proposed Ordering Paragraph 2 quoted above. They argue that a historic test year based on Proposed Ordering Paragraph No. 2 would be stale because the test year would end on or around May 4, 2024.

I decline to revise the PFD as requested by the parties. The PFD would deny Horseshoe Bend’s attempt to extend its deadline to file a comprehensive base-rate case; but revising Proposed Ordering Paragraph 2 as the parties ask would, effectively, grant an extension of roughly the duration sought in the application, or perhaps longer.

I conclude that no changes to the PFD are warranted.

The PFD remains ready for your consideration.

/lcc
q:\cadm\orders\opdm pfd\56000\56479-pfd memo 2.docx

