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January 10, 2025

VIA EFILE

Public Utility Commission of Texas
William B. Travis Building
1701 N. Congress Ave
Suite 7-110
Austin, TX 78701

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.

Dear PUC Commissioners:

On December 19, 2024, the Administrative Law Judge (ALJ) in this proceeding filed a response to the exceptions filed by Horseshoe Bend Water Company and Staff of the Public Utility Commission of Texas (Commission Staff) declining to revise the Proposal for Decision (PFD) issued on December 6, 2024. Horseshoe Bend files this letter in response to the filing made by the ALJ on December 19, 2024.

Horseshoe Bend jointly filed exceptions with Commission Staff to Ordering Paragraph No. 2 of the PFD, which stated that "Horseshoe Bend must file a rate change application within 90 days of this Order based on a historic test year covering a period within 18 months of November 29, 2022." As pointed out in the Joint Exceptions to the PFD, if Horseshoe Bend were ordered to comply with Ordering Paragraph No. 2 of the PFD, the rate change application would be stale by nearly one year and would not meet the requirements of 16 Texas Administrative Code (TAC) § 24.3(36). 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. While Horseshoe Bend admits this would lead to an extension to file its rate proceeding, Horseshoe Bend legitimately and in good faith requested this good cause exception prior to its deadline to file the rate change application, and Horseshoe Bend and its customers should not be penalized simply for seeking a good cause exception to the Commission rule. Horseshoe Bend, which served as a temporary manager for this water system, respectfully requests that the Commission consider its request for a good cause exception and its exception to Ordering Paragraph No. 2 to the PFD.



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Very truly yours,

A handwritten signature in black ink, appearing to read 'William Faulk' with a large, sweeping flourish at the end.

William "Cody" Faulk, III