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PETITION BY RESIDENTS OF GRAND LAKES MUNICIPAL UTILITY DISTRICT NO. 2 APPEALING THE WATER RATES ESTABLISHED BY THE DISTRICT'S BOARD OF DIRECTORS	§ § § § §	BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS
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**GRAND LAKES MUNICIPAL UTILITY DISTRICT NO. 2'S
RESPONSE TO PETITIONERS' APPEAL PURSUANT TO
16 TEXAS ADMINISTRATIVE CODE § 22.123(a)**

COMES NOW, Grand Lakes Municipal Utility District No. 2 (GLMUD) and files this Response to Petitioners' Appeal Pursuant to 16 Texas Administrative Code § 22.123(a) (Appeal).¹ Order No. 3 provided George Wakileh an opportunity to cure a petition defect and requested proof of representation in accordance with the Administrative Law Judge's (ALJ) authority under 16 Tex. Admin. Code (TAC) § 22.101(a).² As such, Order No. 3 does not implicate—or prejudice—Mr. Wakileh's substantial or material rights, and the Public Utility Commission of Texas (Commission) should deny Mr. Wakileh's Appeal.³ GLMUD respectfully shows as follows:

I. BACKGROUND

GLMUD approved the appealed rates on December 18, 2023, and the rates went into effect on February 1, 2024.⁴ Mr. Wakileh subsequently filed the Petition with signatures contesting GLMUD's rate increase—the signature page, however, was silent regarding the signatories' representation in a Commission proceeding.⁵ In Order No. 3, the ALJ addressed this defect and required Mr. Wakileh to file proof of representation by June 3, 2024.⁶ Mr. Wakileh requested the

¹ Appeal Pursuant to 16 Texas Administrative Code § 22.123(a) (May 23, 2024) (Appeal).

² See Order No. 3 – Setting Deadline to Request a Hearing, Denying Application for Temporary Injunction, and Requiring Clarification from Mr. Wakileh (May 20, 2024) (Order No. 3); 16 Tex. Admin. Code (TAC) § 22.101.

³ See 16 TAC § 22.123.

⁴ Grand Lakes Municipal Utility District No. 2's Response to Petitioners' Motion to Establish Interim Rates at Attachment A (May 29, 2024).

⁵ Petition to Appeal Rates Established by the Board of Directors of Grand Lakes MUD No. 2, seated at Schwartz, Page & Harding LLP, 1300 Post Oak Blvd, Ste 2400, Houston, Texas 77056 (May 7, 2024) (Petition).

⁶ Order No. 3.

ALJ to reconsider Order No. 3, the ALJ declined, and Mr. Wakileh appealed Order No. 3 on May 23, 2024.⁷ Therefore, this Response is timely filed.⁸

II. ARGUMENT

A party to a Commission proceeding is entitled to an appeal of an interim order if it demonstrates the order “immediately prejudices a substantial or material right of a party, or materially affects the course of the hearing, other than evidentiary rulings.”⁹ Mr. Wakileh failed to meet this burden for three reasons.

First, the ALJ has not yet set a date for a hearing or even a prehearing conference. Order No. 3, therefore, does not affect the course of the hearing.

Second, Order No. 3 did not implicate a “substantial or material right”—it provided Mr. Wakileh an opportunity to *cure* a Petition defect. Put differently, Order No. 3 does not prevent Mr. Wakileh from litigating his claims. Rather, Order No. 3 actually preserves Mr. Wakileh’s ability to litigate his claims. Thus, Order No. 3 did not implicate a substantial or material right, and the Appeal is not ripe for consideration.

Third, even if Order No. 3 implicated a substantial or material right, the ALJ did not abuse her discretion and therefore did not prejudice Mr. Wakileh. Commission rule authorizes a presiding officer to “require a representative to submit proof of his or her authority to appear on behalf of another person.”¹⁰ Accordingly, Order No. 3 required Mr. Wakileh to provide proof of representation.¹¹ And proof of representation is warranted—the petition page is silent regarding Mr. Wakileh’s authority to represent signatories as their representative in a Commission proceeding.¹² Thus, it is unclear whether the signatories assented to Mr. Wakileh’s representation. As such, the ALJ reasonably held that Mr. Wakileh must provide proof that signatories authorized Mr. Wakileh’s representation. The Appeal should be dismissed accordingly.

⁷ Brief in Response to the Commission’s Request for Proof of Representation. The Commission is respectfully asked to reverse Order No. 3 and drop/forgo the demand on resident representation because it is already met (May 21, 2024); Order No. 4 – Denying Motion for Reconsideration (May 23, 2024); Appeal.

⁸ 16 TAC § 22.123(a)(4) (requiring parties to respond to an interim appeal “within five working days of the filing of the appeal”).

⁹ 16 TAC § 22.123(a)(1).

¹⁰ 16 TAC § 22.101(a).

¹¹ Order No. 3.

¹² Petition.

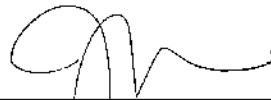
III. CONCLUSION

WHEREFORE, PREMISES CONSIDERED, GLMUD respectfully requests the Commission to deny Mr. Wakileh's Appeal Pursuant to 16 Texas Administrative Code § 22.123(a). GLMUD further requests any further relief to which it may be entitled.

Respectfully submitted,

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**ATTORNEYS FOR GRAND LAKES
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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 May 31, 2024, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE L. MAULDIN