

State Office of Administrative Hearings



Cathleen Parsley
Chief Administrative Law Judge

August 8, 2008

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2008 AUG -8 PM 2:16
CHIEF CLERK'S OFFICE
VIA Hand-Delivery

Les Trobman
General Counsel
Texas Commission on Environmental Quality
PO Box 13087
Austin Texas 78711-3087

Re: SOAH Docket Nos. 582-05-2770 and 582-05-2771; TCEQ Docket Nos. 2004-1120-UCR and 2004-1671-UCR; In Re: Application by Aqua Development Company and Aqua Utilities, Inc. d/b/a Aqua Texas, Inc. to Change Water and Sewer Tariffs and Rates in Various Counties

Dear Mr. Trobman:

The above-referenced matter will be considered by the Texas Commission on Environmental Quality on August 20, 2008. Pursuant to the Commission's directions at the last open meeting regarding this matter, we prepared and submitted on July 17, 2008, a proposed final order for the Commission's consideration. The proposed final order addresses all matters necessary for the full and final resolution of this case.

Since the submission of that proposed final order, Aqua Texas has identified recommended changes to it. We agree with those changes. However, instead of submitting a new proposed final order, we thought it best to simply identify our recommended changes in this letter, and the Commission may choose to modify the order to include them. Specifically, the changes are as follows:

- Finding of Fact No. 77, Conclusion of Law No. 24, and Ordering Provision No. 2 should be revised to show \$2,751,170.50 as reasonable and necessary rate case expenses;
- Conclusion of Law No. 25 and Ordering Provision No. 2 should be revised to show \$2.50 as the monthly surcharge to recover rate case expenses; and
- Conclusion of Law No. 21 should be revised to read: "The rates and gallonage charges in the attached Exhibit A set forth the appropriate rates and gallonage charges to collect the revenue requirements approved by this

Letter to Les Trobman, General Counsel
SOAH Docket Nos. 582-05-2770 and 582-05-2771
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Order. The rates and fees to be charged by Aqua Texas, as approved by the Commission in this Order, are just; reasonable; not unreasonably preferential, prejudicial, or discriminatory; sufficient; equitable; and consistent in application to each class of customer in accordance with TEX. WATER CODE ANN. §§ 13.182, 13.189, and 13.190.”

The Exhibit A referenced above is attached to this letter and should be attached to the Commission’s final order, along with Exhibits B1 – B6, which were previously submitted to the Commission with the proposed final order in this case. With these changes, we believe the proposed final order is complete and accurate.

We will appear at the Commission’s agenda and be prepared to answer any questions you may have at that time.

Sincerely,


Craig R. Bennett
Administrative Law Judge


Travis L. Vickery
Administrative Law Judge

CRB/ap
Enclosure
xc: Mailing List



REGION / SERVICE	REVENUE REQUIREMENT	CHARGE PER 1000 GAL.	MINIMUM MONTHLY BILL - METER SIZE							
			5/8", 3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
North - Water	\$ 10,298,751	\$ 3.27	\$ 36.89	\$ 92.23	\$ 184.47	\$ 295.15	\$ 553.40	\$ 922.33	\$ 1,844.66	\$ 2,951.46
North - Wastewater	\$ 648,271		\$ 73.30	\$ 183.25	\$ 366.50	\$ 586.41	\$ 1,172.81	\$ 1,832.52	\$ 3,665.03	\$ 5,864.05
SE - Water	\$ 8,861,499	\$ 2.95	\$ 20.84	\$ 52.11	\$ 104.22	\$ 166.76	\$ 312.67	\$ 521.12	\$ 1,042.24	\$ 1,667.50
SE - Wastewater	\$ 6,254,310		\$ 63.80	\$ 158.25	\$ 316.51	\$ 506.41	\$ 1,012.82	\$ 1,582.54	\$ 3,165.07	\$ 5,064.12
SW - Water	\$ 8,444,283	\$ 3.61	\$ 38.94	\$ 97.35	\$ 194.70	\$ 311.52	\$ 584.09	\$ 973.49	\$ 1,946.98	\$ 3,115.16
SW - Wastewater	\$ 1,966,100		\$ 87.97	\$ 219.92	\$ 439.84	\$ 703.75	\$ 1,407.50	\$ 2,199.22	\$ 4,398.43	\$ 7,037.49

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AGENCY: TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ)

STYLE/CASE: APPLICATION OF AQUA UTILITIES, INC. D/B/A AQUA TEXAS, INC. TO CHANGE WATER AND SEWER TARIFFS AND RATES IN VARIOUS COUNTIES

SOAH DOCKET NUMBER: 582-05-2770, 582-05-2771

TCEQ DOCKET NUMBER: 2004-1120-UCR, 2004-1671-UCR

STATE OFFICE OF ADMINISTRATIVE HEARINGS

**CRAIG R. BENNETT
TRAVIS VICKERY
ADMINISTRATIVE LAW JUDGES**

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HOA; BEAVER ISLAND POA; COMANCHE
CLIFFS HOA; KERR AND KENDALL COUNTIES
FALLING WATER POA; THE RESERVE AT
FALLING WATER POA; CYPRESS SPRINGS
ESTATES POA; KENDALL POINTE POA; AND
ONION CREEK MEADOW POA)**

**SHERIDAN G. THOMPSON
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**SOUTHEAST REGION HOMEOWNERS
GROUPS (SHADOW BAY HOA; CEDAR POINT
HOA; LAKE CONROE VILLAGE HOA;
BRENTWOOD RESIDENTS; STABLEGATE
HOA; PORT ADVENTURE HOA; LAKE
LIVINGSTON VILLAGE HOA AND NUMEROUS
INDIVIDUAL CUSTOMERS)**

CRIGHTON RIDGE HOMEOWNERS

**EAGLE CREEK RANCH OWNERS
ASSOCIATION**

**LINDA LAMBERTH
PRESIDENT, ECROA
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**BYRON ZINN
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NUMBER OF PAGES INCLUDING THIS COVER SHEET:

SOAH DOCKET NO.: 582-05-2770, -2771
TCEQ DOCKET NO.: 2004-1120-UCR, 2004-1671-UCR, 2004-2122-UCR,

REGARDING: Letter from the ALJs

FROM: Judge Craig R. Bennett and Judge Travis Vickery

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