

SUNSET ADVISORY COMMISSION HEARING
DECEMBER 15, 16, 2010

MISTER CHAIRMAN, FELLOW COMMISSION MEMBERS: MY NAME IS C.A. COCKRELL AND I BRING YOU INPUT FROM MY POSITIONS AS A BOARD MEMBER OF THE T.A.M.E.R. ORGANIZATION, A BOARD MEMBER OF THE GREATER LAKE PALESTINE COUNCIL, A BOARD MEMBER OF TEXAS NEIGHBORHOODS TOGETHER, AND THE COUNCIL OF VAN ZANDT COUNTY COMMUNITIES. I WOULD LIKE TO THANK YOU FOR THE OPPORTUNITY TO ADDRESS YOU WITH ADDITIONAL INFORMATION. I PROMISE I WILL BE BRIEF.

- ON BEHALF OF THE T.A.M.E.R ORGANIZATION AND ITS MEMBERSHIP, WE APPLAUD THE COMMISSION FOR ITS RECOMMENDATION TO TRANSFER RATE MAKING AUTHORITY TO THE PUC, AND IMPROVE THE RATE MAKING PROCESS WITH INPUT FROM ALL PARTICIPANTS.
- HOWEVER, THE WATER CODE ENABLES UTILITIES TO CHARGE INCREASED RATES TO RURAL CONSUMERS, BUT NOT TO PROTESTING CITY CONSUMERS, AFTER THE 60 DAY NOTIFICATION PERIOD. FURTHER, THE WATER CODE PROVIDES NO CONSERVATION OR EFFICIENCY MEASURES UNDER WHICH THE UTILITY MUST OPERATE.
- CONSIDERATION OF THE FOLLOWING ADDITIONAL POINTS WOULD CERTAINLY IMPROVE THE FAIRNESS OF RATES IF TIMELY IMPLEMENTED BY THE COMMISSION:
 1. ENSURE EITHER A UNIVERSAL INTERIM RATE OR A RATE HOLD OFF PERIOD IS ESTABLISHED UNTIL FINAL RATES HAVE BEEN APPROVED BY PUC.
 2. REDUCE RATES IF THE UTILITY OPERATES BELOW A MINIMUM EFFICIENCY.
 3. INCLUDE ALLOWANCES FOR LIFELINE RATES FOR THE DISADVANTAGED RATE PAYER WHO USES MINIMAL GALLONAGE, INCLUDING A LOWER PER GALLON AND LOWER MONTHLY RATE.
 4. ELIMINATE THE ABILITY TO IMPOSE A SURCHARGE.
 5. CONTINUE THE IMPLEMENTATON OF THE ROIC WORKSHEET.

6. REQUIRE ANNUAL FINANCIAL REPORTS TO PREVENT LOADING UP THE EXPENSES IN A RATE CASE TEST YEAR.
 7. PROVIDE ELECTRONIC COPIES OF RATE CASES OBTAINED FROM THE UTILITY, AND MAKE THEM AVAILABLE AT A REASONABLE COST TO THE RATE PAYER.
- MAJOR WATER COMPANIES “BUY UP” SMALLER WATER UTILITY COMPANIES AND RAISE RATES BASED ON FACTORS OTHER THAN COSTS AND CAPITAL ACTUALLY EXPENDED. THIS:
 1. CREATES UNDUE HARDSHIP ON MANY RURAL SUB-DIVISIONS IN UNINCORPORATED AREAS.
 2. LEADS TO UNBELIEVABLE RATE INCREASES WHICH ARE NOT APPROVED BY THE GOVERNING AGENCY UNTIL YEARS AFTER THE FACT.
 3. FORMS EXCESSIVE RATE DIFFERENCES BETWEEN WATER COMPANIES SERVING CUSTOMERS IN ADJACENT AREAS.
 4. MAKES IT MANDATORY TO CONDUCT OPEN HEARINGS PRIOR TO A RATE INCREASE OR CHANGE IN PLANT VALUE ASSOCIATED WITH A PLANT PURCHASE.

C. A. Cockrell, T.A.M.E.R. 2nd VP & Chair of Legislative Committee
Texas Neighborhoods Together, Director
Legislative Committee Member
Greater Lake Palestine Council, Chair Legislative Committee
Council of Van Zandt County Communities, Secretary