

## Cecelia Hartley

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**From:** Sunset  
**Sent:** Monday, December 27, 2010 8:02 AM  
**To:** Cecelia Hartley  
**Subject:** FW: Staff Report Feedback

-----Original Message-----

From: Sunset  
Sent: Sunday, December 26, 2010 8:25 PM  
To: Sunset  
Subject: Staff Report Feedback

Agency name: Environmental Quality, Texas Commission on

Response to staff report: December 15, 2010 Sunset Commission Review of TCEQ Testimony of Jennifer Jones representing Rate Payers of Deer Creek Ranch Water Company

Hello Sunset Commission, My name is Jennifer Jones. I represent the rate payers of Deer Creek Water Company in Dripping Springs. Our issues with TCEQ water supply division are with ratemaking and enforcement of Investor Owned Utilities. With ratemaking, we are concerned with entire process. Currently, an application for a rate increase can be submitted every year regardless if the company is still involved in a current rate case or have current violations. We propose a decrease in frequency and or require a full audit of the water company when the application is submitted to TCEQ. We are concerned with the lack of review of the application, or the current rubber stamp process. We propose a brief but specific review prior to the approval of the proposed rate. We are concerned that the proposed rate is automatically collected and spent even when the case is contested. Our case has occurred close to \$850 in refunds per customer. We propose that the proposed rate to be escrowed from day one until the Commission's final order is signed.

We are concerned with customer hardship. Customers of Investor Owned Utilities must hire engineers and attorneys to review the application to determine what a fair and reasonable rate is. This review costs between 12 and 15 thousand dollars even before going to mediation. We propose attorney fees to be paid by the customers only for preparation of the application up to preliminary hearing. Any contested case fees should be divided based on outcome. Approved rate of 50% or greater of proposed rate should be awarded to the water company, 49% or less of the proposed rate attorney's fees should be awarded to the customers.

Regarding enforcement, I would like to paraphrase a SOAH judge and say; there is a lack of ability of the Commission to enforce orders. We have a company who has repeat violations and continues to violate orders. They have no immediate consequences and continue to acquire more violations. This company failed to establish escrows order by the Commission in the past, and yet in September, Commissioner Garcia said he would make sure this company put our estimated \$300,000 of refunds in an escrow which to this date has not been created and our bill still reflects the proposed rates that the Commission ordered to cease. The enforcement department states they have a process and it takes time. In the meantime, this company is submitting a new application even though they have not completed the previous rate case and is in violation. TCEQ's current process will allow this new increase to be approved so we as consumers must now fight two rate increases at the same time. This is a common practice used by multiple Investor Owned Utilities. We propose an increase in authority of SOAH judges, and TCEQ. We would like to see more methods of enforcement and quicker responses to violations. Thank you for your time.