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Thomas J. Gleeson
Chairman
Kathleen Jackson
Commissioner
Courtney K. Hjaltnan
Commissioner



Greg Abbott
Governor
Connie Corona
Executive Director

Public Utility Commission of Texas

TO: Shelah Cisneros
Commission Counsel

All Parties of Record

FROM: Isaac Ta *I. T.*
Administrative Law Judge

RE: **Docket No. 56272** – *Compliance Docket for Docket No. 50788 (Ratepayers Appeal of the Decision by Windermere Oaks Water Supply Corporation to Change Water and Sewer Rates)*

DATE: May 16, 2025

Enclosed is a Proposed Interim Order in the above-referenced case. By copy of this memo, the parties to this proceeding are being served with the Proposed Interim Order. I have prepared a Proposed Interim Order because the parties are asking for a substantive change to the compliance obligations imposed by the Commission in Docket No. 50788. In my opinion, the decision to make such a change should more appropriately be left to the discretion of the Commission, rather than to me.

Please place this docket on an open meeting agenda for the Commissioners' consideration. Please notify me and the parties of the open meeting date. The parties must file corrections or exceptions to the Proposed Interim Order by May 23, 2025.

If a party proposes a correction or exception, the party must fully explain the correction or exception and must provide a citation to the record to support the correction or exception.

If there are no corrections or exceptions, no response is necessary.

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DOCKET NO. 56272

COMPLIANCE DOCKET FOR	§	PUBLIC UTILITY COMMISSION
DOCKET NO. 50788 (RATEPAYERS	§	
APPEAL OF THE DECISION BY	§	OF TEXAS
WINDERMERE OAKS WATER	§	
SUPPLY CORPORATION TO CHANGE	§	
WATER AND SEWER RATES)	§	

PROPOSED INTERIM ORDER

This Order addresses the refunds and rate-case expense surcharge ordered by the Commission in its Order filed in Docket No. 50788 on March 21, 2024 (the Commission's Order).¹ Specifically, Ordering Paragraph 3 of the Commission's Order requires Windermere Oaks Water Supply Corporation to refund specified amounts to water and sewer customers over a 45-month period or until a net amount of \$884,666.62 has been refunded, whichever occurs first; Ordering Paragraph 4 of the Commission's Order approves a monthly \$39.21 rate-case expense surcharge per connection over a 45-month period or until \$478,184.04 is collected, whichever occurs first.

On March 28, 2025, Windermere filed its third compliance report.

On May 5, 2025, Commission Staff filed a recommendation on the sufficiency of Windermere's third compliance report.

The Commission finds that Windermere is in compliance with Ordering Paragraph 3 of the Commission's Order as it relates to the monthly refunds to customers.

However, the Commission finds that Windermere is not in compliance with Ordering Paragraph 4 of the Commission's Order as it relates to the rate-case expense surcharge. Specifically, the Commission finds that, for the months of December 2024, January 2025, and February 2025, Windermere violated the requirements of Ordering Paragraph 4 of the Commission's Order. Windermere's third compliance report shows that, for the months of December 2024, January 2025, and February 2025, Windermere recovered the rate-case expense surcharge from each water connection and each sewer connection rather than from each customer, which resulted in the rate-case expense surcharges assessed against some customers being doubled.

¹ *Ratepayers Appeal of the Decision by Windermere Oaks Water Supply Corporation to Change Water and Sewer Rates*, Docket No. 50788, Order (Mar. 21, 2024).

In March 2025, Windermere returned to recovering the rate-case expense surcharge from each customer instead of from each water connection and each sewer connection.

To rectify the overbilling, Windermere proposed that, for three months, it would not assess the rate-case expense surcharge to those customers who were double charged the surcharge during the months of December 2024, January 2025, and February 2025. Commission Staff recommended approval of Windermere's proposal and suggested that Windermere's next compliance report include documentation demonstrating non-assessment of the rate-case expense surcharge for three months for customers who were double charged.

The Commission approves Windermere's proposal and orders as follows:

Commencing with the first billing cycle after issuance of this Order, Windermere must not collect for a period of three months the \$39.21 rate-case expense surcharge from all customers who were double charged the \$39.21 rate-case expense surcharge during the months of December 2024, January 2025, and February 2025.

The procedural schedule established in Order No. 4 remains in effect. In addition to the requirements applicable to Windermere's fourth compliance report, Windermere must also include in its fourth compliance report documentation demonstrating the non-assessment of the rate-case expense surcharge for three months for customers who were double charged.

Signed at Austin, Texas on the __ day of _____ 2025.

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS J. GLEESON, CHAIRMAN

KATHLEEN JACKSON, COMMISSIONER

COURTNEY K. HJALTMAN, COMMISSIONER