

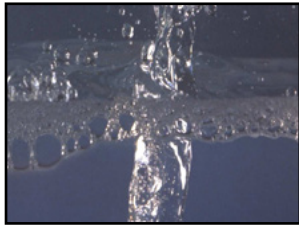
# UTILI-FACTS

## A Customer Guide to the Public Hearing Process

You have received a notice telling you that your utility has requested approval to change the rates that it charges you for water or wastewater service. You can either:

- Accept the rate change because you believe it is reasonable.
- Contact your utility for additional information so you can decide if the change is reasonable.
- File a protest of the rate change with the Public Utility Commission of Texas (PUC) or the municipality listed in the notice and ask that a hearing be held because you believe the change is not reasonable. If you request a hearing, you should be prepared to actively participate in the hearing process, either personally or through a representative named, in writing, by you.

Knowing how rates are designed and how utilities fund improvements may help you decide whether the rate change is



reasonable. To find out, you may call PUC and ask for GI-257, Utility Funding and Rate Design: A Guide to Customers of Private or Investor-Owned Utilities. You can also download [the Utility Funding Rate Design publication](#) from the PUC's website.

**THERE IS A DEADLINE FOR REQUESTING A HEARING** should you decide to protest the rate increase. Be sure to read the utility's notice carefully, because it includes information that you need to know such as when and how to protest the rate change or request a hearing. The remainder of this publication describes what to expect from the hearing process itself.

### The Public Hearing Process

The hearing process is required by law if the regulatory authority receives a complaint from any affected municipality, or if the lesser of 1,000 or 10 percent of the utility's affected customers request a hearing. Hearings are normally held in Austin.

### The Prehearing Conference

Once the petition is found to be sufficient, a prehearing conference will be scheduled. The prehearing conference consists of:

- Setting a procedural schedule for the remainder of the hearing process;
- Granting party status; and

- Public comments, discussion of concerns and the appropriateness of the rates, and negotiations.

The prehearing conference is conducted by an administrative law judge (ALJ) assigned by the State Office of Administrative Hearings (SOAH). The ALJ will issue an order after the conference which sets the procedural schedule, which will include dates for a possible evidentiary hearing. Further negotiations typically are conducted with all parties during the time between the conference and the evidentiary hearing in order to facilitate an agreed settlement. If a settlement is not reached, a formal evidentiary hearing will ensue.

### The Formal Evidentiary Hearing

This formal hearing generally lasts several days and is usually held in Austin. The formal hearing may:

- Involve rate payers representing themselves (or, since it is a formal legal hearing, obtaining the services of an attorney may be in your best interest);
- Involve a significant amount of pre-hearing work to gather information from all named parties;
- Require that the parties have witnesses to provide sworn testimony to document their positions;
- Require that the parties cross-examine the other parties' witnesses;
- Involve post-hearing filings and review of the ALJ's proposal for decision;
- Involve costs which can, by law, be passed on to the customers in their rates;
- Involve expenses for you as a hearing participant for which you cannot be directly reimbursed; and
- Require pre-filed testimony.

### Participants and Their Roles

Parties Named by the ALJ:

(Note: Customers of a utility seeking a rate change are generally entitled to party status.)

- Must appear at the preliminary hearing, either personally by

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- phone, or through an authorized representative;
- Must show they have a personal interest that could be affected by the rate change;
- Have the right to participate in settlement negotiations;
- Have the right and the responsibility to participate in



**QUESTIONS:**

**Call:** 512-936-7405

**Write:**

Public Utility Commission  
of Texas

**Water Utility Regulation  
Division**

1701 N. Congress Ave.  
P.O. Box 13326,  
Austin, TX 78711-3326

discovery if the case does not settle. "Discovery" is an exchange of questions and answers among all the parties and can result in significant costs if there are many parties;

- Have the right and the responsibility to file motions and arguments;
- Have the right to present witnesses and evidence at an evidentiary hearing;
- Have the right to cross-examine

(question) other parties' witnesses;

- Have the right to appear before the PUC Commissioners when the case is considered for a final decision; and
- Could be required to pay a portion of the cost for a court reporter if an evidentiary hearing is required.

**SOAH ALJ:**

Opens and presides over the hearing and ensures the hearing process complies with applicable laws and rules.

**PUC:**

The PUC is represented by a staff attorney, financial examiner, and engineer or engineering specialist who:

- Evaluate the application for compliance with state law and PUC rules and policies; and
- Provide support and information to help the parties reach an agreement that is fair to the customers and the utility.

**Office of Public Utility Counsel (OPUC):**

- Present a position, with testimony as necessary on the rate change in the event of an evidentiary hearing.
- May provide legal, professional, and technical representation on behalf of residential and small commercial utility ratepayers, as a class, to protect consumers interests
- Present a position on certain issues within the rate change requested in the event of an evidentiary hearing
- Is a party to the hearing; and
- Can be contacted at 512-936-7500 or 877-839-0363.

**Utility:**

- Is the party requesting the rate/tariff change;
- Is responsible for presenting its application or position;
- Has to provide sufficient documentation to support its request; and
- Is typically represented by an attorney and a rate consultant.

**Additional Information**

Please contact:

Public Utility Commission of Texas

Water Utility Regulation Division

1701 N Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

**Phone:** (512) 936-7405

**Web:** [www.puc.texas.gov](http://www.puc.texas.gov)

State Office of Administrative Hearings

300 W 15th Street, Suite 502

P.O. Box 13025

Austin, Texas 78711

**Phone:** 512-475-4993

**Web:** [www.soah.state.tx.us](http://www.soah.state.tx.us)