

PUC Appeal Attorneys Fees



Council Presentation
July 30, 2024

Appeal of OCL Water Rates to Texas PUC

Texas Water Code § 13.043 provides that customers of a municipal water provider may appeal their water rates by filing a petition of at least 10% of the affected outside-City-limits customers within 90 days after the effective date of an extraterritorial rate increase.

- 242 signatories to Petition
- Approximately 75 OCL signatories verified
- Signatories included Flint Hills, Valero, Epic, Lyondell, RTFC, Citgo



Timeline of Events

- **March 2024** - Kemp Smith LLP, law firm in Austin, Texas, submitted petition to PUC by OCL ratepayers appealing City's increase of OCL water rates effective on January 1, 2024
- **April 2024** - City hired Thomas Brocato of Lloyd Gosselink to represent City on possible appeal last year
- **April 2024** – City responded to appeal; PUC determined appeal administratively complete & SOAH referral jointly requested



2024 Water Rate PUC Appeal

Financial Impact to the City of Corpus Christi:

- Professional Services Agreement with Lloyd Gosselink for attorney services for \$415,000
- Professional Services Agreement with NewGen Strategies & Solutions for expert witness services for \$108,000
- Cumulative maximum amount of \$523,000 related to the case of Petition by Outside City Ratepayers appealing the Water Rates of the City of Corpus Christi to the Texas Public Utility Commission (PUC Docket No. 56427)



Residential Water Rate Adjustments effective January 1, 2024

MINIMUM MONTHLY CHARGE

Includes first 2,000 gallons for Residential and Commercial Customers

INSIDE CITY LIMITS

Meter Size	Previous	Adopted
5/8" X 3/4"	\$12.92	\$ 12.02
1"	\$19.39	\$ 32.30
1 1/2"	\$32.31	\$ 64.60
2"	\$64.60	\$ 103.36
3"	\$103.36	\$ 193.80
4"	\$206.72	\$ 323.00
6"	\$323.00	\$ 710.60
8" or larger	\$646.00	\$ 1,162.80
10" or larger	\$646.00	\$ 1,938.00

OUTSIDE CITY LIMITS

Meter Size	Previous	Adopted
5/8" X 3/4"	\$19.39	\$ 18.49
1"	\$29.08	\$ 48.45
1 1/2"	\$48.46	\$ 96.90
2"	\$96.90	\$ 155.04
3"	\$155.05	\$ 290.70
4"	\$310.09	\$ 484.50
6"	\$484.50	\$ 1,065.90
8" or larger	\$969.00	\$ 1,744.20
10" or larger	\$969.00	\$ 2,907.00

Volume Rate

Inside City Limit	Previous	Adopted	% Change
2001 - 6000	\$5.08	\$5.08	0%
6001 - 15000	\$5.83	\$5.83	0%
15001 and up	\$6.36	\$6.36	0%

Outside City Limit	Previous	Adopted	% Change
2001 - 6000	\$3.11	\$5.08	63%
6001 - 15000	\$3.88	\$5.83	50%
15001 and up	\$4.90	\$6.36	29%

Water Rate Adjustments

2024 Commercial Water Rate Adjustments

Inside City Limit	Previous	Adopted	% Change
2001 - 6000	\$5.56	\$5.56	0%

Outside City Limit	Previous	Adopted	% Change
2001 - 6000	\$4.22	\$5.56	32%

2024 Large Volume Water Rate Adjustments

Inside City Limit	Previous	Adopted	% Change
0 - 10,000,000	\$24,202	\$24,202	0%
10,000,000 and up	\$3.94	\$3.94	0%

Outside City Limit	Previous	Adopted	% Change
0 - 10,000,000	\$40,382	\$24,202	-40%
10,000,000 and up	\$1.95	\$3.94	102%

Timeline Forward

Prehearing Conference	July 23, 2024
City of Corpus Christi (City) Direct Testimony; end of 30-day “Quiet Period” for discovery requests to City	November 18, 2024
Petitioners/Intervenor Direct Testimony; end of 30-day quiet period for discovery requests to Petitioners/ Intervenor	February 14, 2025
PUC Staff’s Direct Testimony	April 14, 2025
City’s Rebuttal Testimony	May 23, 2025
Deadline to take depositions for all parties	June 25, 2025
Prehearing Conference	July 25, 2025
Hearing on the Merits	Week of July 28, 2025 (3 days)
Proposal for Decision	October 28, 2025

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