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## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

December 2, 2022

Ms. Jennifer Jones  
Executive Director  
Texas Sunset Advisory Commission  
P.O. Box 13066  
Austin, Texas 78711

Dear Ms. Jones:

The Texas Commission on Environmental Quality (TCEQ) appreciates the opportunity to respond to the Sunset Advisory Commission Staff's Report on the Public Utility Commission of Texas (PUC). With regard to Recommendation 3.1, the report recommends the Sunset Commission consider using a method of finance swap to have some or all of water utilities pay the gross receipts assessment instead of the regulatory assessment fee. The regulatory assessment fee is deposited to the TCEQ's Water Resource Management Account. This account is used to fund the TCEQ's water programs. The recommendation to no longer pay some of or all the regulatory assessment fee could potentially result in a revenue loss up to 14% to the account. This recommendation could negatively impact the TCEQ's ability to maintain a revenue balance sufficient to support its responsibilities under its water programs.

We welcome the opportunity to discuss this issue with the Sunset Commission as the PUC's review process moves forward.

Sincerely,

*Elizabeth Sifuentez Koch*  
Elizabeth Sifuentez Koch  
Deputy Director, TCEQ Sunset Review Team