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APPLICATION OF UNDINE TEXAS,
LLC FOR A PASS-THROUGH RATE
CHANGE

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PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

ORDER ON REHEARING

This Order on Rehearing addresses the application of Undine Texas, LLC for a pass-through rate change. The application is granted for the reasons discussed in this Order.

The Commission adopts the following findings of fact and conclusions of law.

I. Findings of Fact

1. On September 22, 2017, the Commission appointed Undine as temporary manager of Suburban Utility Company (Suburban).
2. On March 21, 2018, the Commission extended Undine's term as temporary manager of Suburban.
3. Suburban provides water utility services to the Cypress Bend Subdivision (PWS # 1010119) in Harris County, Texas.
4. The Cypress Bend Subdivision is within the boundaries of the North Harris County Regional Water Authority (Authority).
5. On December 4, 2017, the Authority's Board of Directors approved an increase of its well pumpage fee from \$2.90 per 1,000 gallons to \$3.40 per 1,000 gallons, effective April 1, 2018.
6. On April 23, 2018 Undine filed an application for a pass-through rate change.
7. The application requested a pass-through rate of \$5.28, including 35.6% line loss, calculated as provided in 16 Texas Administrative Code (TAC) § 24.21(b)(2)(E).
8. The application included historical documentation indicating 35.6% line loss over one year as required by 16 TAC § 24.21(b)(2)(F)(i)(V).

9. On May 23, 2018, Commission Staff recommended that a pass-through rate of \$4.00 be approved, limiting line loss to 15%.
10. On May 25, 2018, the Commission issued a notice of approval granting a pass-through rate of \$4.00.
11. On June 5, 2018, Undine filed a motion for rehearing.
12. On June 12, 2018, Commission Staff recommended that the motion for rehearing be granted and that a pass-through rate of \$5.28 be granted.
13. On July 2, 2018, the Commission docketed the motion for rehearing on the July 12, 2018 open meeting.
14. On July 12, 2018, the Commission granted the motion for rehearing.

II. Conclusions of Law

1. Undine is a retail public utility as defined in Texas Water Code (TWC) § 13.002(19) and 16 TAC § 24.003(59).
2. The Commission has jurisdiction over the application under TWC § 13.041(a).
3. This docket was processed in accordance with the requirements of the Texas Administrative Procedure Act, the TWC and Commission rules.
4. The pass-through rate of \$5.28 is just and reasonable as required by TWC § 13.182.
1. The rates provided for in this order and any rates that Undine currently charges fix Undine's revenue at a level that provides a reasonable opportunity to earn a reasonable return on invested capital, and preserves the financial integrity of Undine as required by TWC § 13.183(a).
2. Undine has complied with the requirements of 16 TAC § 24.21(b)(2) for a pass-through rate change.

III. Ordering Paragraphs

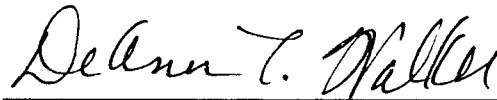
In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. Undine's application for a pass-through rate change is approved.

2. Undine may collect a pass-through rate of \$5.28 for the Cypress Bend Subdivision.
3. The tariff attached to Commission Staff's Response of June 12, 2018 is approved.
4. All other motions and any other requests for general or specific relief, if not expressly granted, are denied.

Signed at Austin, Texas the 12th day of July 2018.

PUBLIC UTILITY COMMISSION OF TEXAS



DEANN T. WALKER, CHAIRMAN



ARTHUR C. D'ANDREA, COMMISSIONER



SHELLY BOTKIN, COMMISSIONER

