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#### **DOCKET NO. 48683**

# APPLICATION OF FREMONT WATER COMPANY FOR A PRICE INDEX RATE ADJUSTMENT

# PUBLIC UTILITY COMMISSION

**OF TEXAS** 

#### NOTICE OF APPROVAL

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This Notice addresses the application of Fremont Water Company for a price-index rate adjustment. The Commission adjusts Fremont's water base rate to \$14.44 and gallonage rate to \$4.40 per 1,000 gallons.

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

# I. Findings of Fact

### <u> Applicant</u>

- 1. Fremont Water Company is a sole proprietorship operating under certificate of convenience and necessity (CCN) number 12821.
- 2. Fremont operates Texas Commission on Environmental Quality (TCEQ)-approved public water system ID No. 1330153 and serves 58 connections.

#### Application

- 3. On September 13, 2018, Fremont filed an application for a price-index rate adjustment to its water rates based on the Commission's current price index of 3.50%.
- 4. Fremont proposed an effective date of February 1, 2019.
- 5. In Order No. 2 issued on December 14, 2018, the administrative law judge (ALJ) found the application administratively complete.

#### Rate Adjustment

- 6. Fremont requested an adjustment to its water-tariff base-rate monthly meter charge and its water gallonage rates based on the Commission's current price index of 3.50%.
- 7. Fremont proposed increasing the monthly water base rate from \$13.95 to \$14.44 and the gallonage rate from \$4.25 to \$4.40 per 1,000 gallons.

#### Filing Schedule

- 8. A class C utility with a CCN number ending in 21 may file an application for a price-index rate adjustment in the month of March.
- 9. The ALJ grants Fremont a good cause exception to file in September.
- 10. This filing is the first price index adjustment for Fremont.

#### Annual Report

11. Fremont must file its annual service, financial, and normalized-earnings report on June 1 of each year as required by 16 Texas Administrative Code (TAC) § 24.129.

## **Informal Disposition**

- 12. Fremont and Commission Staff are the only parties to this proceeding.
- 13. The decision is not adverse to any other party.
- 14. No party requested a hearing.
- 15. A hearing is not necessary.
- 16. On November 30, 2018, Commission Staff recommended approval of the application.
- 17. Commission Staff attached a proposed tariff to its supplemental recommendation filed on November 30, 2018.

#### II. Conclusions of Law

- 1. The Commission has jurisdiction over the application under Texas Water Code (TWC) § 13.1872.
- 2. Fremont is a utility as defined in TWC § 13.002(23) and is a class C utility under TWC § 13.002(4-c).
- 3. Under TWC § 13.1872(f), Fremont may adjust its rates not more than once each year and not more than four times between rate proceedings under TWC § 13.1871.
- 4. An increase in Fremont rates of 3.5% complies with 16 TAC § 24.49(c)(1).

- 5. The Commission processed the application in accordance with the requirements of the TWC, the Administrative Procedure Act, and Commission's rules.
- 6. Fremont has demonstrated that it has met the requirements of TWC § 13.1872 and 16 TAC § 24.49 for approval of the rate adjustments.
- 7. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.
- 8. Under 16 TAC § 24.49(e), Fremont must provide notice after it receives a copy of this Order and 30 days before the effective date of the proposed change.

# III. Ordering Paragraphs

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

- 1. The Commission adjusts Fremont's monthly water base rate to \$14.44 and the water gallonage rate to \$4.40 per 1,000 gallons.
- 2. The Commission approves the tariff attached to Commission Staff's supplemental recommendation effective 30 days after Fremont provides notice to its customers.
- 3. Fremont's new rates may go into effect 30 days after Fremont provides notice to customers.
- 4. Fremont must issue notice of the approved rate change to its customers at least 30 days before the effective date of the rate change.
- 5. Fremont must file proof of notice in this docket within ten days after notice is provided to customers.
- 6. Within ten days after Fremont files proof of notice, Commission Staff must file a clean copy of the tariff with Central Records to be marked *Approved* and kept in the Commission tariff book.
- 7. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

<sup>&</sup>lt;sup>1</sup> Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-.902.

Signed at Austin, Texas the \quad \Quad \text{day of December 2018.}

**PUBLIC UTILITY COMMISSION OF TEXAS** 

ADMINISTRATIVE LAW JUDGE

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